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ABSTRACT

This report of President Carter's Commission for A National Agenda for the Eighties discusses the dynamics of American society and world affairs that they believe will determine events in the 1980s. The analytical report of the Commission was accomplished by 45 Americans, a bipartisan group representing business and labor, science and the humanities, arts and communication. There are three parts to the report. Part one, Overview, discusses new realities and changing priorities, defines and measures progress toward quality of life and examines prospects for the improvement of well-being. Part two, Themes, examines our legacy of rapid growth, the new economic era, choices for the 1980s, the slower growth society, the entitlement program, helping families to help themselves, symptoms of discontent, and cultivating civic concern. Part three, Conclusions, discusses prospects and predicaments for the 1980s. A profound readjustment of attitudes, values, and expectations is underway. No matter how successful the nation is in attaining more rapid economic growth, there is no way of returning to the realities of the postwar era of dynamic growth. Some truly fundamental changes have taken place since then. The new realities that America faces in the 1980s require certain traits in its citizens that are by no means easy to cultivate. The ability of our society to solve its problems depends on the character of the American people. (Author/RM)

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PRESIDENT'S COMMISSION
FOR A NATIONAL AGENDA FOR THE EIGHTIES

REPORT OF THE PANEL ON
THE QUALITY OF AMERICAN LIFE

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THE Quality OF American Life IN THE Eighties

Washington : 1980

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This document was prepared by the Panel on the Quality of American Life, one of nine Panels of the President's Commission for a National Agenda for the Eighties. The report represents the views of a majority of members of the Panel on each point considered. Not every member of the Panel agrees with or supports every view or recommendation in the report. This report was prepared by members of the Panel without involvement by members of the Commission who were not members of the Panel. This project was supported by the U.S. Department of Health and Human Services under provisions of Executive Order 12168, dated October 24, 1979. Points of view or opinions expressed in this volume are those of the Panel on the Quality of American Life, and do not necessarily represent the official position of the Department.

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ERRATA SHEET

The following paragraphs were inadvertently deleted from the Panel Chairperson's Preface to the President's Commission for a National Agenda for the Eighties Report of the Panel on the Quality of American Life. In subsequent printings, these passages will appear following the material at the end of the first page of that Preface:

"... address, and certain changes in expectations as well as institutions that would allow us to face new realities more realistically and constructively.

Given the scope of the changes this nation has experienced in recent years, significant and costly problems will arise if we fail to comprehend how fundamental those changes are and how pervasive their consequences. Abraham Lincoln's admonition, delivered more than a century ago -- that "the dogmas of the quiet past are inadequate to the stormy present" -- is particularly pertinent today. Now as then, the first task is to "think anew" in order that we may "act anew." The major contribution that a commission such as ours can make is to help to perform that first task, in order that the nation's leaders can more successfully accomplish the second.

Because this panel was confronted with such a broad and challenging topic, I am grateful to my fellow Panel members for their willingness to "think anew." Collectively, the panel members brought an unusual range and depth of experience to our task, and it has been my privilege to work with these highly talented and committed people. Throughout, they were eager to confront the new realities of the 1980s and to address hard problems. I am indebted to them for their time, energy, and thoughtfulness.

As chairperson of the Quality of American Life Panel, I have come to appreciate deeply another quality -- the quality of insight, integrity, energy, and dedication that the members of the panel staff have brought to our common undertaking. Over and over, as the work of the panel has proceeded, I have been impressed by and grateful for the very large contribution that Keith Melville and Lisa Goldberg have made as they carried out research, facilitated discussion, and produced the written materials that led to this final report. They have greatly added to the quality of my life.

Many people helped in the preparation of the report and we are grateful to all of them. We would especially like to thank the staff of the Commission: Claude E. Barfield and Richard A. Wegman, staff directors, for their support; and Stephen F. Durbin and the administrative staff for their assistance. Among those to whom we owe special thanks: Ed Cohen-Rosenthal, Clementine Kaufman, Minna Peyser, Wakefield Associates, and Louise Weiner served as consultants, and added greatly to our understanding of some of the topics encompassed by "quality of life." Our symposium participants and the people of Charleston, South Carolina, were kind enough to share some of their considerable knowledge about the arts at the Spoleto Festival last spring. Denis. . ."

Foreword

As America enters the eighties, our nation faces a world greatly changed from that of even a decade ago. Vast forces are in action at home and abroad that promise to change the lives of all Americans. Some of these forces—such as revolutionary developments in science and technology—hold out hope for longer life, labor-saving mechanisms, exploration of the universe, and other benefits for all peoples. Other forces—such as the growing demand for strategic raw materials under the control of supplier cartels—raise serious problems for all nations. At home, we face serious and unresolved issues in the social and economic structure of American society.

On October 24, 1979, President Jimmy Carter established the President's Commission for a National Agenda for the Eighties. His purpose was to provide the President-elect and the new Congress with the views of 45 Americans drawn from diverse backgrounds outside of government. The group is bipartisan, representing business and labor, science and the humanities, arts and communication. Members of the Commission are experts in many fields, but possess no special expertise in predicting the future. Rather, we have done our best to uncover the dynamics of American society and world affairs that we believe will determine events in the eighties. This report of the Commission, *A National Agenda for the Eighties*, sets forth our views.

The analytical work of the Commission was accomplished by 9 Panels, each consisting of 5 to 11 Commissioners with appropriate staff. The Panels probed into major subject areas designated by the President in the Executive Order that created the Commission, as well as other areas that the Commission itself determined should be on the agenda. This approach gave Panel members an opportunity to gain considerable familiarity with complex subject matters, and provided the full Commission with a wide range of information not otherwise attainable in the 13 months available for this study.

The Panels are responsible for their own reports, and the views contained in any Panel report do not necessarily reflect the views of any branch of government or of the Commission as a whole.

William J. McGill
Chairman

La Jolla, California
December 31, 1980

Preface

As part of a nonpartisan commission asked by the President to address critical issues of public policy that will concern the American people throughout the 1980s, this panel examined the major factors affecting the quality of American life. Accordingly, our focus has been on individuals rather than on institutions.

The Panel's work has been guided by the premise that our achievements as a nation cannot be reckoned solely in terms of superior power, wealth, and technology. The policies of the next decade have to be responsive to a deep concern for that which enriches the quality of our lives. They must reflect a commitment to cultural activity, to artistic and scholarly accomplishment, to the realm of ideas and the life of the spirit.

Essentially, we have addressed three main questions:

☐ What are the major factors that contribute to or detract from the sense of well-being of most Americans?
☐ In an era in which there are distinct constraints on public sector spending, what should be the role of the public sector in enhancing quality of life?
☐ How can an effective partnership between the public and private sectors be created in order to move toward quality-of-life objectives?

Today, many Americans feel caught in the cross-current between contradictory influences: On the one hand, they have an unprecedented range of options and greater freedom to choose among them. On the other, new realities seem to be creating new constraints. This paradox is aptly stated by economist Ezra Mishan: "As the carpet of increased choice is being unrolled before us by the foot, it is simultaneously being rolled up behind us by the yard." As this Panel discussed the dilemmas posed by new realities, and their likely consequences for the quality of American life, we decided to focus throughout most of this report on factors that are likely to detract from a sense of well-being for millions of Americans in the 1980s. There are, we believe, certain questions that the nation's leaders must

Johnston of the Bureau of the Census, Dennis Little of the Congressional Research Service, Richard Rockwell and Roberta Miller of the Social Science Research Council, and Janet Simons of Children's Defense Fund provided invaluable counsel as well as the data upon which parts of this report are based. Michael Brewer and Steven Englund made many helpful comments. Nina Graybill, who edited the report, was consistently helpful and insightful.

Finally, we are deeply indebted to several people who began thinking about the quality of American life long before we did, and whose writings influenced our own: Daniel Bell, of Harvard University; Angus Campbell, of the Institute for Social Research at the University of Michigan; Amitai Etzioni, of the Center for Policy Research and George Washington University; James O'Toole, of the Center for Futures Research at the University of Southern California; and Daniel Yankelovich, of Yankelovich, Skelly & White. We are especially grateful for the time several of them took to discuss and comment on our work.

Matina S. Horner

Matina S. Horner
Panel Chairperson

Cambridge, Massachusetts
December 31, 1980

THE Quality OF American Life

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Chapter 1

Part I - OVERVIEW

NEW Realities, CHANGING Priorities

> The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so must we think anew and act anew.
>
> —Abraham Lincoln

On several occasions in our nation's history, special commissions have been appointed by the President to do two things the agencies of the government cannot: First, to step back from the normal tasks of policy making and program planning to take a long-range look at emerging trends and problems and at our ability to respond to them. Second, to reexamine our national priorities. It has been 20 years since the last goals commission was convened by President Eisenhower near the end of his second term. During a time that was strikingly different from today, that commission produced a report entitled *Goals for Americans.*[1] To reread that report is to be reminded of how much has changed over the past two decades. Since a large part of our task is to assess the nature and extent of those changes and their implications, it is useful to compare that report, and the circumstances under which it was prepared, with our own.

In the late 1950s, widespread concern about the American purpose and our nation's goals was prompted in large part by the launching of the Soviet Sputnik. Writing in September 1959, Walter Lippmann commented that the success of Soviet society can be explained by the fact that it is a ''purposeful society'' and that ''the critical weakness of our society is that for the time being our people do not have the great purposes which they are united in wanting to achieve. . . . We talk about ourselves as if we were a completed society, one which has achieved its purposes and has no further great business to transact.''

Throughout the fall of 1959, the press devoted considerable attention to the discussion of ''national purpose.'' This was followed early in 1960 by the publication of a series of articles on ''The National Purpose'' that appeared in both *Life* magazine and *The New York Times.*

As the Presidential elections approached, the topic was being discussed at the meetings of dozens of national organizations. It was in this context that President Eisenhower named, in February 1960, his Commission on National Goals. In several respects, their mandate was similar to our own. It was to "identify the great issues of the generation and to describe our objectives in these various areas," to "develop a broad outline of coordinated national policies and programs for the next decade," and to "sound a call to greatness to a resolute people."

It is interesting to note that this commission which was formed in response to repeated calls for a re-examination of the national purpose produced a reaffirmation of the nation's longstanding Cold War mission. The commission's report called on Americans to "preserve and enlarge our own liberties, to meet a deadly menace, and to extend the area of freedom throughout the world." In several respects, that report reflects the assurance with which Americans have characteristically faced the future. It exudes a sense of optimism and manifest destiny and—most clearly—the belief that rapid economic growth could be sustained

Throughout the report, the commissioners made an assumption that was quite reasonable at the end of a decade of rapid growth: that more of the same would get us where we wanted to go. By the late 1950s, millions of Americans enjoyed a level of affluence never before achieved by large numbers in any society. The feeling seemed to be that better things were ahead for the country because increasing affluence would lead to a greater sense of well-being.

The commissioners who wrote *Goals for Americans* were optimistic not only about sustained economic prosperity and its effects, but also about what the government might accomplish. Asked to determine what goals should be pursued and how they might be met, they concentrated on what the federal government should do, thus anticipating and providing a rationale for rapid growth in the public sector over the next decade.

The events of the next few years following publication of *Goals for Americans* seemed to bear out its optimism. Despite the trauma of President Kennedy's assassination, the early 1960s were a time of extraordinary self-confidence about the direction of social progress. America seemed to have the resources—both theoretic and economic—to chart its course and solve its problems. Policy makers applied their Keynesian tools to "fine tune" the economy. Optimism about the American role in the world community led to the declaration of a "Decade of Development" during which U.S. financial and technical assistance might significantly help to alleviate the misery of millions of people in other nations.

Harnessing that optimism and self-confidence, President Johnson in the spring of 1964 proposed that America "move not only toward the rich society and the powerful society but upward to the Great Society." The Congress responded to President Johnson's lead with a bold expression of national purpose. Within a year, there were significant legislative attempts to prevent discrimination, to improve educational opportunity, to eradicate poverty, to ensure health care for the elderly, to create jobs for the unemployed, and to clean up the environment.

Writing in 1965, Theodore H. White commented on the optimism of that era, when Congress enjoyed its highest level of public approval registered in modern times and the nation seemed to be moving confidently toward its goals:

> Americans live today on the threshold of the greatest hope in the whole story of the human race, in what may be the opening chapter of the post-industrial era. No capital in the world is more exciting than Washington in our time, more full of fancies and dreams and perplexities. For the first time in civilization, man's mastery over things is sufficient to provide food for all, comfort for all, housing for all, even leisure for all. The question thus arises: What, then, is the purpose of man? How shall he conduct himself at a moment when he is being freed from want, yet freed to ask the tormenting questions of who he is and what he seeks and what his soul needs?[2]

Although this passage accurately anticipated the growing concern for quality-of-life issues, the euphoria and self-confidence that White described seem today very distant indeed. How quickly the events of the next few years would undermine that self-confidence; how quickly the assumptions upon which the *Goals for Americans* report was based would be eroded.

In the two decades since the publication of that report there have been profound changes in American society, including a heightened awareness of the costs of sustained economic growth, and a recognition—in the wake of the Great Society programs—of the limits of governmental initiatives and of the paradoxical results of some of them. In the 1960s, there was a growing sense that, despite the good news suggested by economic indicators, quality of life was not improving as a consequence. By the late 1960s, the debate over changing values was epitomized (and often caricatured) by the counterculture with its insistence on feeling over knowing, its attacks on science, industry, education, and materialism. Members of the counterculture voiced something more than simple dissatisfaction with the way things were: they proposed, in effect, a new definition of progress, one that places a greater stress on the value of relationships, on feelings of personal tranquility, esthetic satisfactions, and a sense of harmony with nature. Implied in the countercultural critique was a drastic reordering of priorities.

By July 1969, when President Nixon assembled a National Goals Research Staff to lay out some of the nation's key choices, there was less of a consensus about values and national priorities than there had been a decade before. The Goals Research Staff, whose report was entitled *Toward Balanced Growth: Quantity with Quality*, concentrated on four "emerging debates"—in the areas of population, environment, basic natural science, and consumerism—each of which reflected the value changes of the late 1960s. Although the volume does not specifically address such issues as level of support for the arts and humanities, it voices a general concern for quality-of-life considerations that was nowhere in evidence in the *Goals for Americans* volume. As reflected in the different emphases of those two reports, what had happened in the 1960s was a widespread questioning and reordering of values, and a new concern for the quality of American life was one of its prominent aspects.

In contrast to the *Goals for Americans* report, *Toward Balanced Growth* acknowledges tradeoffs, unintended consequences of policy initiatives, and the realization that many of "today's problems are a result of successes as defined in yesterday's terms." Repeatedly, the volume returns to the problem of choosing a growth policy that recognizes the importance of quality-of-life issues. The report quotes President Nixon's words: "Never has a nation seemed to have had more and enjoyed it less." "Perhaps," the report goes on to say, "Americans are realizing that great wealth is not synonomous with contentment. . . . Affluence by itself does not guarantee the achievement of our goals as a nation. Because of the scarcity of resources, a large, rich, and powerful country cannot do all the things its people desire. Even the rich must choose."[1]

That last point was amply demonstrated by the events of the 1970s. The overarching lesson of the past decade is that, even for the wealthiest and most powerful of nations, there are limits: The era of cheap fuel has ended, and as a result we will have to pay far more for a way of life we have come to take for granted. Because of our dependence on foreign oil, we feel a gnawing sense of vulnerability. Due to a combination of factors—including high labor costs, high inflation, and lower rates of productivity improvement—the United States is no longer in a position of unquestioned preeminence in the world community. We have a heightened awareness of the unanticipated environmental damage associated with our prior economic growth, of the limited supplies of certain nonrenewable resources, and of the apparent limits to our ability to sustain rapid economic growth.

As columnist George Will remarked, the 1970s were "a decade of second thoughts," a period when some formerly unchallenged assumptions were being revised. Its theme was less rather than more: lower birth rates, lower economic growth rates, and lower expectations. After a period of roughly 50 years, during which a majority of Americans supported the idea of an expanding public sector, there was increasing skepticism about the effectiveness of government and increasing support for the idea that some of the powers assigned to the government should be taken away. During the 1960s the growth of the federal budget reflected an ambitious agenda of new tasks we hoped to accomplish through the Great Society programs. By the late 1970s, after taxpayer revolts had signalled public unwillingness to pay for constant increases in public sector spending, the new theme was how to perform the traditional tasks more effectively.

There is, in brief, much that seems new about the events and circumstances of the past few years. We are very different as a nation from who we were 20 years ago when the *Goals for Americans* volume was produced, and therein lies the challenge of describing our current situation and assessing our prospects and priorities for the 1980s.

Whether or not one agrees with the assertion that President Carter made a year ago, that "the erosion of confidence in the future is threatening to destroy the social and political fabric of America," opinion polls show a shift of considerable significance. Americans have characteristically been confident that the future would be better than the past. In 1960, for example, when the *Goals for Americans* report was being prepared, despite the impression of anxious concern about the national purpose that was conveyed by the media, opinion polls indicated considerable complacency and optimism among most Americans about their personal future and that of the nation. According to a Gallup poll taken early in that year, more than half of the American people believed that 1960 would be better for them than 1959, while fewer than 1 in 10 thought it would be worse.[4] In that sense, the "more of the same" message in *Goals for Americans* reflected not only the judgment of the commissioners who wrote it but also the mood of the nation as a whole.

In recent years, however, Americans have become increasingly pessimistic about the future. Many people now have a sense of foreboding and a new concern for preserving what they have. A Gallup poll taken in August 1979 found that 84 percent of those polled were dissatisfied with the nation's direction.[5] Another poll found that over the past 3 years, the percentage of people who think the nation is in "deep and serious trouble" has risen about 25 percent to nearly 70 percent.[6] Polls taken in the early 1970s showed that those who believe that "next year will be better than this year" outnumbered those who thought it would be worse by a ratio of about 3:1. Throughout the decade, there was a gradual increase in the number who thought that "next year will be worse." Then, in 1979, several different polls registered a dramatic shift in the nation's mood: for the first time since this question had been asked by public opinion analysts, the number of individuals who thought that the next year would be worse was higher than the number who thought it would be better—55 percent compared to 33 percent.[7]

In addition, the percentage of people who feel a great deal of confidence in the leaders of major institutions has declined substantially since the mid-1960s, and less than half as many people feel great confidence in the Congress and the executive branch compared to the 1960s.

Today, there is apprehensive concern about whether America is in decline. No matter what the topic—whether double-digit inflation or falling productivity, our vulnerability to the oil-producing nations of the Middle East or the decline of entrepreneurial innovation—there is widespread concern about the erosion of American power and an apparent inability to resolve our most pressing problems.

While acknowledging the fundamental changes in our circumstances and the variety of ways in which our nation is different today from what it was 20 years ago when *Goals for Americans* was written, this Panel does not share the view of America in decline. In fact, this country's problems are more manageable than those of most industrial nations: We are still largely self-dependent for vital resources. We are still one of the greatest military powers in the world. Our economy—which now generates a median family income of more than $19,000 a year—is still relatively healthy.

But we do believe that the constellation of factors—both domestic and international—that have arisen in recent years poses fundamental choices. Today, we can no longer simply reaffirm longstanding national goals or recommend more of the same in a variety of areas.

We hope that this report will provide a framework for a constructive debate about national priorities, with full realization that the nation *cannot* proceed on all fronts at once. A generation of rapid economic growth encouraged the belief that we could have our cake and eat it too, that we could have *both* rapid economic growth *and* a society in which most people would work less and have more leisure; that we could have a cleaner and safer environment and also enjoy a variety of entitlements in such areas as Social Security and medical programs; and that at the same time we could proceed toward the goal of equality for all. Today, however, there is a growing awareness that our demands and expectations may exceed our ability to produce.

We believe most Americans are prepared to make choices, even choices that pose sacrifices and austerities, if it is clear that those choices cannot be postponed or deflected and that their burden is equitably shared. It is precisely because of the growing awareness of limits—to our resources and to the capabilities of government—that it is so important to re-examine our national priorities.

Such a broad examination of the national agenda is not something that is done routinely. The White House is normally too busy with day-to-day executive decisions to do this in a comprehensive way. Congress does not normally serve as a forum for debating priorities either, because it can act only after most of the controversy has been removed. As one of our Commissioners, Daniel Bell, remarked a few years ago:

> There is no agency which seeks to link up current and future changes in a comprehensive way so as to trace out the linked effects on different aspects of government policy. Most importantly, at a time when we must begin consciously to choose among "alternative futures," to establish priorities about what has to be done—for it is only an illusion that we are affluent enough to take care of all our economic problems at once—we have no "forum" which seeks to articulate different national goals and to clarify the implications and consequences of different choices. . . . The plain fact remains that National Commissions often are one of the few places where a central debate over specific policy issues can be conducted.[1]

So that is our task and our goal, to clarify the implications and probable consequences of different choices. What the members of this Panel have tried to do is to address the topic of the quality of American life and to spell out—as fairly and objectively as we can—what is new about our prospects for the 1980s. It is our hope that this report will lead to better informed and more realistic discussion about America's agenda for the 1980s and that it will provide guidance to the nation's leaders in the years to come.

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Chapter 2

THE COMING OF AGE OF Quality OF Life

> Americans are realizing that great wealth is not synonomous with contentment, that there is a difference between wealth and the good life. The nation's citizens may also be learning that affluence by itself does not guarantee the achievement of our goals as a nation.
>
> —National Goals Research Staff
> *Quantity with Quality* (1972)

This Commission's mandate was to serve as a forum to examine underlying trends in American society, to "identify the most critical public policy challenges of the 1980s," and to recommend approaches for dealing with those issues. The Commissioners have responded to this task by working in panels addressed to such important public policy issues as energy, economics, foreign policy, regulation, and social welfare.

Our responsibility differs from that of the other panels in one essential respect. Rather than being assigned a specific topic on the agenda of public policy issues, we were asked to address a broad concern, the quality of American life.

Quality of life: it is both a perennial concern—which for centuries has been one of the central issues of the humanities, of religious and philosophical writings—and a rather recent preoccupation. It is a topic that permits many different definitions, and for which there is no widely agreed-upon index which allows us to monitor changes in that quality.

A half century ago, President Hoover asked a group of leading social scientists for a broad description of trends in American life. In the introduction to that report, entitled *Recent Social Trends,* its authors acknowledged that despite their analysis of virtually every area of American life, something important was missing. As they noted, "There are important elements in human life not easily stated in terms of efficiency, mechanization, institutions, or rates of change." Chief among them is a sense of well-being. Happiness, as the report's authors pointed out, is "one of our most cherished goals," but it has been "little studied by science."[1]

In recent years, there have been various attempts to chart the dimensions of well-being, such as changes in feelings of personal satisfaction. Those indicators of the subjective state of the nation—as tentative and volatile as they are—allow us to make a kind of assessment of the quality of American life that was not possible in Hoover's day. But the charting of well-being, the understanding of the relationship between objective changes and subjective responses, and the development of reliable indicators by which we might reckon advances in our individual and social well-being are still relatively undeveloped. Perhaps we cannot hope to do much more than to ask the right questions. But even that modest goal is well worth accomplishing, for in doing so we may be able to call attention to the broader considerations that should be kept in mind in defining public policy.

Thus, in addressing the quality of American life, we are examining the broadest criterion by which public policy might be judged: How, exactly, do public programs contribute to the quality of life, to our sense of individual and collective well-being?

If, as sociologist Robert K. Merton once commented, America has been "a civilization committed to the quest for continually improved means to carelessly examined ends," increasing attention to quality-of-life considerations over the past two decades would seem to indicate a new departure. There has been a growing realization of what we give up, individually and collectively, by clamoring for more material goods, a realization that there are other kinds of goods that have been neglected—the kind we try to encapsulate in the phrase "well-being."

Among the factors that have encouraged this recent emphasis on quality of life, two are especially important. The first is the great increase in the number of college graduates, whose education opened the way to high-paying jobs and professions, exposed them to humanistic interests, and fostered their concern for personal growth.

The second and more fundamental factor is the increasing affluence that many Americans have enjoyed since World War II. For a large majority of us, a rising standard of living has reduced the age-old insecurities about poverty, starvation, adequate shelter, and unemployment. By the 1970s, although substantial numbers of Americans—most conspicuously a disproportionate percentage of the nation's minority population—still lived in poverty, America had indeed become an affluent society, in which many people began to concern themselves with the "higher needs," with being, growing, and relating.

While economic motives and maintaining a high standard of living are still very important to most Americans, there are indications of growing concern over quality-of-life issues, ranging from efforts to prevent further damage to the environment, to increased reluctance to join the "rat race" of competition for promotion and protests against the boredom and meaninglessness of many jobs. The growing concern for nonmaterialistic values is reflected in a recent Harris poll where a three-to-one majority endorsed the statement that "The trouble with most leaders is that they don't understand that people want better quality of almost everything rather than more quantity."[2]

It would appear, in other words, that many Americans are approaching the situation that Lord Keynes anticipated 50 years ago, when he speculated about "the readjustment of habits and instincts" that would be required when humans confront "their real, permanent problem—how to use their freedom from economic cares, how to occupy their leisure, which science and compound interest will have won for them, to live wisely, agreeably, and well."

To use the term "quality of life" is to raise a host of questions. First, there is the task of clear definition: Admitting that the term refers to a subjective judgment, what do we mean by quality of life? Second, there is the matter of accurate description: How, exactly, have perceptions of quality of life changed? And third, there is the matter of prescription: In what ways, and to what extent, is quality of life a proper concern of public policy? The statements that define our national goals and the functions of government specify not only what the government *should* do, but also what it should *not* do. The Constitution specifies that all functions not explicitly assigned to the federal government are reserved for the various states or for individual citizens. The question of what the governmental role should be regarding quality-of-life objectives is one to which we will return in later chapters of this report. First, we shall define our terms and describe recent trends in perceived well-being.

Defining Quality of Life

In most references to quality of life, the satisfaction of basic needs is taken for granted. We infer that quality of life has more to do with the "higher needs" for growth, esteem, freedom, and the pleasures of meaningful relationships and meaningful work.

Thus, quality of life might be defined as a sense of well-being, a dynamic blend of satisfactions that differs from one person to another and changes over time. It is a term many people use without having to define. People tell you what they mean by quality of life when you ask what it is that makes life pleasant or fulfilling, or why they chose to move from one place to another. Their responses consist of a blend of tangibles and intangibles:

> "It's a place where we can enjoy a better family life."
>
> "There are good schools, convenient shopping, a comfortable pace of life. . . ."
>
> "What's important to me is friendly neighbors, and an attractive area convenient to recreational facilities. . . ."
>
> "I like the cultural opportunities, the museums, the symphony, the adult education courses. . . ."
>
> "It's a place where I can get involved in the community and make a difference. . . ."

However, quality of life is not an entirely subjective matter. Although few people would agree on the most desirable place to live, there would be a virtual consensus about what constitutes an undesirable neighborhood. Few people would choose to live where the garbage goes uncollected, where housing is deteriorating, or where crime is rampant.

One way of assessing quality of life, then, is to define it by the absence of certain undesirables, as a number of surveys do. The problem is that policy makers do not agree about which measures of our discontent should be taken most seriously. Clearly, when people respond to Louis Harris' annual survey of alienation by agreeing that "What you think or feel doesn't matter very much anymore," they are expressing some kind of malaise. But how does this compare as a measure of well-being to, say, the percentage who agree in National Opinion Research Corporation surveys that they "always feel rushed"? And how important are either of these dimensions compared to such undesirable conditions as crowding and excessive noise, as indicated in the annual housing survey?

If we can assume general agreement about what detracts from our welfare, no such assumption can be made about those things that contribute to quality of life. To some people, it is important to live in a community where one's moral values are not offended by the spread of pornography; to others, quality of life is defined by the freedom one enjoys to pursue personal preferences, so long as those actions cause no injury to others. Acrimonious debate about such issues as restrictive zoning laws, gun control, abortion, and sex education illustrates the point: initiatives that would indicate an improvement in the quality of life for some would be regarded by others as clear indications of decline.

It is particularly important to keep in mind the social-class biases implicit in so many discussions of quality of life. As William Overholt and Herman Kahn remarked several years ago:

> Most of the discussion of quality of life takes place among members of the upper middle class which is not conscious of the full extent to which it is articulating class values rather than universal values. With regard to many and perhaps most of the issues discussed under the heading "Quality of Life," it is barely an exaggeration to define quality of life as that which deteriorates when five lower middle class cabins appear at the edge of a lake which had previously provided an unobstructed view for a single upper middle class family.[3]

The question of how to define quality of life has been addressed by scholars as well as public policy makers. For example, psychologist Abraham Maslow formulated a needs-hierarchy theory that proposes that deficiency needs have to be satisfied before "abundance motives" can emerge.[4] Attempts have been made to define quality of life by constructing a catalog of basic human needs to which public policy should respond. In fact, one of the significant developments in industrial nations over the past century has been the gradual acceptance of the principle that people have an equal claim to some minimum requirements for a decent life.

What Maslow's theory and most of the attempts of public bodies to specify human needs have in common is that they define two levels of needs. When the term "quality of life" is used, people generally assume the satisfaction of first-tier needs and are referring to second-tier satisfactions. Both levels must be considered when analyzing the tradeoffs implied in public policy decisions.

The first tier (which Maslow referred to as "deficiency needs" and several United Nations Symposia have labelled "first floor" needs) describes those threshold needs that must be met to ensure human survival. The United Nations Universal Declaration of Human Rights, for example, recognizes these needs in article 25:1:

> Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing, medical care, and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond his control.

The important question, of course, is the level at which "adequacy" is pegged, and the ability and willingness of a nation to do something about unmet needs. In this country, the government has defined minimum standards (or "intolerability thresholds") in a variety of areas, such as family income, air pollution (the "primary threshold" is the tolerable limit of suspended particulates in the air, as defined by the Environmental Protection Agency), and housing (where the minimum standard is defined as a "nondilapidated" house, i.e., one that is structurally sound and has minimal plumbing).

In other words, most of these first-tier needs can be met by the provision of specific goods and services. At this level, economic indicators have considerable relevance in determining a nation's ability to meet such basic needs. It is generally agreed that until such threshold needs are met, one cannot move on to the "higher" needs. "It is recognized," as John and Magda McHale write,

> that many other quantities and qualities may define the meeting of human needs in the larger sense, but without the physical minima, deterioration of the body restricts the mental vision and degrades the spirit. Deprived of basic shelter, on the edge of starvation, and without the rudiments of education no one can make relevant choices or seek personal self-fulfillment.[5]

The second tier in this hierarchy has to do with growth needs, the satisfaction and enjoyment of nonmaterial ends. Satisfaction of such needs is inevitably a subjective matter that bears no direct relationship to economic resources. This is what people generally have in mind when they refer to quality of life.

Here, then, is a definition of quality of life which serves as our point of departure. By the term "quality of life" we mean a sense of well-being, a dynamic blend of satisfactions, which presumes:

☐ First Tier: Freedom from hunger, poverty, sickness, illiteracy, and undue fear about the impact of the hazards of life (such as accidents, personal attack, war, burglary, fire, natural disasters, toxic and hazardous substances).

☐ Second Tier: Opportunity for personal growth, fulfillment, and self-esteem, which includes:
—Opportunity to establish and maintain social bonds, with family, friends, community, and coworkers.
—Opportunity to participate in and derive meaning from religious, civic, family, and work activities.
—Access to sources of esthetic and intellectual pleasure, including museums, concerts, the use

of public parks and libraries, participation in educational and other activities.
- Access to activities pursued for recreational purposes, such as hiking, athletics, reading, and TV viewing.

Any such list is inevitably somewhat arbitrary. Questions might be raised about needs that are omitted here, particularly in the first tier. For example, a case could be made for including the rights guaranteed in the Bill of Rights and subsequent Constitutional amendments among the first-tier needs. It might be argued that access to education—something considerably more than freedom from illiteracy—is fundamental to human welfare. But this schema should provide at least a framework for our discussion.

Over the past decade, various researchers have attempted to assess progress toward quality-of-life objectives by constructing social indicators. Their approach generally has been to choose a list of concerns from both first- and second-tier needs, such as health and safety, education and skills, income, equality, human habitat, art, science, and free time. For each of these concerns, they provide a quantifiable indicator. For example, the Urban Institute uses a comparison of white and nonwhite employment rates as an indicator of "Racial Equality," and the estimated narcotics addiction rate as a measure of "Social Disintegration."

It would be desirable to develop a widely accepted set of social indicators that would provide a gauge of progress toward quality-of-life goals. But there are substantial problems in doing so. Not only is it difficult to find acceptable and quantifiable indicators of such elusive matters as community sentiment, esthetic pleasure, or a sense of meaningfulness, but there is also little consensus about what might be considered a "high" quality of life. There is far more agreement about what constitutes an intolerable level that detracts from quality of life. For example, while few people would agree about what the most satisfactory or pleasing meal consists of, there is general agreement about the nutritional minimum that must be met to satisfy basic needs. In other words, it may be both feasible and useful to monitor progress toward broad social goals by codifying existing minimum standards for quality of life, as defined by the law or by common custom.

Measuring Progress Toward Goals of Quantity and Quality

From the perspective of 1980, the *Goals for Americans* volume prepared by our predecessors 20 years ago serves as a vivid reminder of how quickly basic assumptions and expectations have changed. By the late 1950s, most Americans where confident that better things were ahead for the nation because increasing affluence, expanding educational opportunities, and the fruits of science and technology would lead to enhanced well-being.

But as some of the goals proposed by that commission—including an average economic growth rate of 4 percent—were achieved and exceeded, the problem with their premises became clear. In the course of the 1960s, as Senator Daniel P. Moynihan wrote,

> . . . one after another of the goals set forth by the Eisenhower Commission was reached and surpassed . . . [yet] whatever the nation was by 1970 it was not happy. Forecasts had come true; there had been abundant success: and yet the quality of life seemed sadly deficient.[6]

The growth rate slowed down somewhat in the 1970s, but that comment still rings true. As measured by conventional economic indicators, there has indeed been abundant success. Between 1950 and the early 1970s, this nation experienced its longest sustained period of growth in productivity—an average annual increase of about 3 percent. As a result of this and other factors, there have been rapid increases in the standard of living. In addition, substantial gains in real income continued throughout the 1970s. During the past decade, real disposable income per capita increased by 28 percent, just two percentage points less than the gains of the 1960s. Today, median family income in this country is more than $19,000 a year. The net assets of the average American household—including the value of cars and campers, bank accounts and real estate holdings, TV sets, air conditioners, and other goods—come to $83,500, an unprecedented level of affluence.

Over the past generation, the average American has enjoyed not only higher real wages and the consumer goods they buy, but also more fringe benefits, more paid holidays, longer vacations, better health and pension programs, and less physically onerous work. Judging by such objective indicators, America's achievement in the postwar generation has been truly remarkable.

Despite these advances, complaints about the quality of American life have become increasingly common. There seems to be a rather widespread realization that increases in our wealth do not necessarily contribute to our sense of well-being. A rising standard of living has not been accompanied by feelings of greater safety about our streets and cities, by an enhanced sense of satisfaction in the workplace, or by greater confidence in our elected officials.

In the absence of any direct means of assessing the quality of life, economists have constructed various measures of goods and services that could be counted. And governments around the world have used economic indicators as a gauge of progress toward social goals, on the assumption that economic well-being is a major determinant of subjective well-being. Indeed, this assertion seemed self-evident. In America, as in other industrial nations, increasing affluence allowed millions of people to be better fed, to enjoy better housing, to live longer, to work fewer hours, to get a better education. Recent studies that compare personal satisfaction in nations at various levels of economic development bear out this assumption; typically, the highest levels of expressed satisfaction are in nations that enjoy the highest per capita consumption. And so, partly because they give the appearance of quantifiable hard-headedness, aggregate indicators of economic output such as the concept of gross national product (GNP) became the most prominent gauges of the success of public policy, and in turn, of public well-being.

GNP has been employed as an economic yardstick in Presidential budget messages since 1944, and it has been a useful concept for the purposes of economic accounting. But since we tend to pay attention to what we have measurements for, and GNP calls attention only to economic factors, the very prominence of the concept tends to obscure other factors which are at least as important, if not so easily quantified.

The shortcomings of GNP as an indirect measure of well-being are manifest. What GNP measures, after all, is the transaction of goods and services. In their accounting schemes, economists include a category called "regrettable necessities," a label that reflects a rather common impression that the barrage of new consumer goods that our economy is designed to provide adds very little to our welfare. Our affluence results partly, as Robert Hutchins once said, from "our patented way of getting rich, which is to buy things from one another that we do not want at prices we cannot pay on terms we cannot meet because of advertising we do not believe."

GNP ignores activities that have an important effect on the quality of life, but involve no financial transfer—such as housework, parenting, or volunteer work. Furthermore, many of the industrial developments that have contributed greatly to increasing GNP also detract from our welfare in ways—such as through noise pollution or environmental despoliation—that are not easily measurable, but are nonetheless clearly discernible.

In brief, economic yardsticks do not provide an adequate measure of various aspects of well-being. Over the past two decades, there has been a widespread realization that—in the words of social psychologist Angus Campbell—economic welfare may be a necessary condition for well-being, but it is not a sufficient one. President Nixon voiced the same sentiment in the State of the Union address in 1970:

> In the next ten years, we will increase our wealth by 50 percent. The profound question is, does this mean that we will be 50 percent richer in any real sense, 50 percent better off, 50 percent happier?

Dissatisfaction with economic indicators has led to various attempts to develop an alternative set of social indicators that would provide a better measure of well-being. "Gross National Product is our Holy Grail," wrote Congressman Stewart Udall back in 1968 when social indicators were first being developed, "but we have no environmental index, no statistics to measure whether the country is more liveable from year to year." He went on to propose a tranquility index, a cleanliness index, a privacy index, and other quality-of-life indices.

Over the past decade, social researchers have made a variety of efforts to compile better data to evaluate social needs and trends and, indeed, to do what Jeremy Bentham proposed two centuries ago—to measure happiness. In the early 1970s, the National Science Foundation appropriated millions of dollars for social indicators research, and the Institute for Social Research at the University of Michigan conducted the first systematic surveys in this area. Under the sponsorship of the Department of Housing and Urban Development, the Urban Observatory program attempted to create better measures of change in education, health, environment, and housing for policy-making purposes. At about that time, the Urban Institute began to make comparative assessments of quality of life in 18 metropolitan areas. Another major effort toward the same goal led, in 1973, to the publication of the first edition of *Social Indicators,* a government-sponsored volume that provides a comprehensive collection of data selected to describe current social conditions and trends.

Some social indicators of well-being are equivocal measures that might be interpreted in various ways: Should the rising divorce rate, for example, be interpreted as a breakdown in family life or as an indication of greater personal freedom to seek satisfactory relationships? Does the growing number of college graduates necessarily add to national well-being?

But most of those indicators are less equivocal. They provide an alternative to what Vice President Mondale once referred to as "the hunch, intuition, and good intentions that have been the heavy artillery of social problem solvers," a procedure for taking stock of the social health of the nation, for answering such basic questions as: Are we getting any healthier? How is the quality of our environment changing? Do people have more satisfying jobs than they used to? How do Americans feel about the communities and nation of which they are a part? 18

It is hard to imagine a business or a government operating without answers to such questions about the effects of its programs. Nonetheless, it is still often unclear to both citizens and public officials how much progress, if any, we are making toward quality-of-life goals, and what effects, if any, major programs have on a sense of individual and collective well-being.

In sum, although significant steps have been taken in the past 10 years in devising noneconomic means of assessing progress toward national goals, the development of such indicators is still at a relatively primitive stage. From experience, we know that the nation has tended to emphasize what it can measure best; this in itself is a substantial reason for developing indices of what is most important to the quality of American life.

Accordingly, the Panel recommends that a National Social Report, in which a series of indicators of progress toward quality-of-life goals are assembled and evaluated, be created.

There are, we believe, several substantial reasons for expanded efforts to compile and disseminate information about progress toward a variety of quality-of-life goals.

The first, as we have already noted, is that national policy is not currently guided by any comprehensive procedure for assessing the nation's social condition. The President and his Council of Economic Advisors are required by statute to make an annual report to the nation on its economic health. Statistics on national income and its components—such as employment and unemployment, the balance of payments, wholesale and retail prices—are gathered on a monthly basis, and watched closely by citizens and government officials. However, no such procedure exists for social reporting, for charting changes in the factors that affect individual and collective well-being.

A second reason for developing better social reporting procedures is that it would make certain concerns more visible, thus providing a more sensitive barometer of problematic trends and issues. Whereas such problems as natural disasters, urban riots, or overcrowding are immediately apparent and compel attention, other concerns that are at least as important—such as the effectiveness of the schools, the changing needs of families, or feelings of alienation from public leaders—are not nearly so visible and thus are unlikely to receive the kind of attention they should. It is essential that policy makers have a set of social indicators that reveal which segments of the population are experiencing the greatest distress and which types of living environments have deteriorated most.

Third, a better system of social reporting would allow more accurate evaluation of what public programs are accomplishing. What we really need to know is not how many dollars are spent in certain areas, but what is accomplished by those expenditures. If millions of dollars are spent to create special programs to educate children from poor families, does their performance in school eventually improve? If we mount a "war on poverty," does it succeed in reducing the ranks of the poor? It is by no means easy to answer such questions, since all major problems are affected by many factors in addition to public programs. But we must have a system of social reporting that will allow us to relate changes in social conditions to public initiatives, and to understand the interrelationships among trends.

It will be particularly important to have a comprehensive system of social reporting in the 1980s. In a time of stiff competition for resources, accurate and persuasive data will be needed to show which conditions are improving and which are deteriorating and should be addressed by public policy makers. In a society where there is increasing emphasis upon quality-of-life objectives, a comprehensive social report might reflect progress that economic indicators do not accurately represent.

No single index or measure of quality of life is either plausible or feasible. A more fruitful approach toward a comprehensive system of social reporting would consist of specifying "intolerability thresholds" in various areas, and periodically conducting studies to determine which segments of the population fall below those minimal standards. It would also monitor demographic trends and examine their implications.

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Chapter 3

TOWARD A
Social Report

> If we could first know where we are, and whither we are tending, we could then better judge what to do and how to do it.
>
> —Abraham Lincoln

Before we look ahead to anticipate those factors most likely to influence the quality of American life in the 1980s, let us consult the research on social indicators to get a perspective on what has happened over the past two decades. What factors appear to have had the greatest impact on the public's sense of well-being? What progress has been made toward goals that most people would regard as improvements in the quality of American life? What appear to be the chief sources of dissatisfaction?

It is no easy matter to get a fix on so multifaceted a phenomenon, and it is not surprising that different indicators point in different directions, that the nation's mood—as summarized by pollsters and social commentators—often seems to bear little relation to objective changes. Perhaps, as Aaron Wildavsky concludes, "we are all, in fact, doing better and feeling worse." To Wildavsky, the evidence that we are doing much better than most people recognize is undeniable. "Every standard of well-being," he writes, "shows that every sector of the population . . . has improved its lot in past decades."[1]

Like most general assertions about the direction of social change, the validity of Wildavsky's judgment depends upon one's standard of comparison. If we are to make statements about change over time, are we talking about changes over the past 20 or 30 years or more, or about the events and trends of the past few years? With regard to a great many phenomena that affect well-being, the long-term perspective suggests a rather optimistic, even self-congratulatory judgment. In the postwar generation this nation made impressive advances not only in its level of economic achievement, but also in health, education, housing, and general welfare. But if we consider a more recent timespan, such as the changes that have taken place over the past decade, we might reach quite a different judgment. Over the past few years, there has been not only slower economic growth but also indications of significant downturns in a variety of areas. Perhaps, to recall Wildavsky's assessment, people are "feeling worse" because they are far more affected by the events of the recent past than by the long-term trends of the postwar years.

One other qualification needs to be made about any general assertion of progress toward quality-of-life goals. Whether we are assessing the subjective state of the nation or measuring progress toward such objective goals as adequate income or housing, we need to distinguish between the well-being of the population as a whole and that of specific groups or minorities. Clear evidence of improvement in the nation's health, housing, or income does not necessarily imply equivalent advances among the various ethnic or racial minorities. It is one thing, for example, to note that since 1960 there has been a substantial reduction in the percentage of the population who fall below the poverty line and a substantial increase in the proportion of blacks who have moved into positions of relative affluence. However, a different conclusion can be drawn if we note that blacks are still more than twice as likely to be poor than are whites and that, in 1979, more than 30 percent of all blacks had incomes below the poverty level as contrasted with fewer than 10 percent of all whites.

With these considerations in mind, let us examine the research on social indicators and ask what it tells us about factors that contribute to or detract from the quality of American life.

Overall Satisfaction

Considering the impression of malaise that one gets from the media and from so much of the recent commentary about American life, the most striking conclusion from recent surveys is that Americans seem to be quite positive about their personal lives. Recent Gallup surveys have found, for example, that while 69 percent of the respondents are dissatisfied with *national* life, no fewer than 77 percent of Americans say they are generally satisfied with their *personal* lives.[2] When people are asked what contributes most to a happy and satisfied life, family life stands out as the greatest source of satisfaction, with nearly two-thirds of the respondents in recent reports saying they are "very satisfied" with this aspect of their lives. And contrary to the impression one gets from an ever-increasing divorce rate, an even higher percentage—84 percent—reports being "completely satisfied" with their marriages.[3]

What do these reports mean? Perhaps, as Angus Campbell notes, such reports about the most personal domains of life reflect the "persistent human impulse to see the world positively." Attempts have been made to compare feelings of subjective well-being in various nations. None of these studies is definitive, but they do show that reported feelings of well-being are at least as high in the United States as they are elsewhere; in certain respects, they are considerably higher than in most nations. The last time people in various nations were asked about "life as a whole," in a 1977 Gallup survey, the level of satisfaction expressed by Americans was considerably higher than that expressed in any European nation.[4]

Health

Americans also feel quite satisfied in general with another factor that has an immediate bearing on well-being, their health. Most people would agree that physical health is one of the chief measures of a nation's well-being. That we have not exploited all the potential of modern medical science is illustrated by the fact that persons with low incomes or limited access to the health care system are still far more likely to have health problems, and that at least a dozen nations have a longer life expectancy at birth than we do. Still, there have been improvements in this country over the past few decades. Between 1950 and 1977, average life expectancy at birth increased by 3.7 years among males (to 69.3) and by 6 years among females (to 77.0).[5] Infant mortality rates in 1977 were less than half as high as they had been in 1950.[6] The rate of deaths from heart disease decreased by 20 percent between 1970 and 1978; over that same period, the rate of deaths caused by strokes decreased by one-third.[7]

There is reason, then, for the optimism that the Surgeon General of the United States, Dr. Julius B. Richmond, expressed recently in a report describing trends in the nation's health. In his words, "There is no question but that the indicators are telling us health is indeed remarkably better."[8] Improvements in public health have also contributed to feelings of well-being. Only a small proportion of Americans, about 1 in 10, express dissatisfaction with their health, while the vast majority perceive themselves to be in "good" or "excellent" health.[9]

Housing

The houses and apartments in which people live have an obvious and immediate impact on their sense of well-being. To inquire about the availability of convenient, attractive, and affordable housing is, therefore, to ask about a factor that affects quality of life in various ways. With regard to the supply of adequate housing at prices most Americans can afford, the record of the past few decades is quite good. However, there is reason for serious concern about the nation's housing over the next 10 years.

In comparison to other countries, Americans are generally well housed. The number of Americans who live in physically inadequate housing has declined substantially in recent decades: The proportion of households living in structures deemed to be physically inadequate declined from about 20 percent in 1960 to about 8 percent in 1976. And though about one family in four says it would like to move from its present dwelling, satisfaction with housing is fairly high; in recent surveys, only 1 family in 10 expressed dissatisfaction with its current housing.[10]

Nonetheless, inadequate housing continues to be a serious problem for certain groups. In 1976, more than 21 percent of black families lived in physically deficient units—that is, units that lack some plumbing, kitchen facilities, or central heating—as did 20 percent of Hispanic families and 12 percent of female-headed households.[11]

We anticipate that a shortage of adequate and affordable housing will be one of the major factors that detracts from a sense of well-being for millions of Americans in the 1980s. Because an unusually large number of young adults will reach their home-seeking age in the 1980s, there will be a high demand for new housing units. However, in recent years, the number of housing starts has been declining. At the same time, the number of rental units has been shrinking at a rate estimated by some housing experts to be about 2 percent a year. Both factors point to a shortfall of more than a million units a year below demand over the next few years.

The problem is further complicated by housing costs that are increasing at a faster rate than median family income. In 1970, half of all American families could afford a new house, the average cost of which was then $24,000. Today, far fewer families can afford the typical new house, which costs $70,000.[12] Thus, families with incomes below $20,000—the largest group of homeowners in recent years—are rapidly losing ground in the housing market. The inability of many Americans to afford housing equivalent to that in which they grew up is likely to be a galling reminder of "rising expectations" that cannot be met in the 1980s. It is no exaggeration to say, as California Governor Edmund G. Brown, Jr. did recently, that "there is social dynamite implicit in pricing 60 or 70 percent of the people out of the housing market."

Finding adequate and affordable housing will be particularly difficult for families with children. In some parts of the country, many landlords impose restrictions that exclude children: In Los Angeles, for example, such restrictions apply to about 70 percent of the rental units, creating special stresses for families with children who are looking for rental housing.[13]

As a society, we have moved toward greater acceptance of public responsibility for such functions as health and education, while simultaneously moving away from public responsibility for housing. This Panel believes that the nation's housing problem is sufficiently grave to justify a major review of the various public and private sector initiatives that might be taken to ensure that all citizens have decent and affordable housing.

Personal Safety

Yet another factor is an important ingredient of well-being—feelings of personal safety. There are, of course, many hazards that pose a threat to one's safety, such as fires, automobile accidents, or natural disasters. But the threat to personal safety that causes the greatest anxiety is crime. The threat of attack, the fear of being victimized by crime is one of the nation's grave problems and something that detracts in a very real way from a sense of well-being.

The crime rates of the past 20 years contain both good news and bad. Not surprisingly, the bad news has received the most attention and appears to have had the greatest impact on public perceptions. The bad news is that, in the period since 1960, there have been significant increases in the reported rates of violent crime and crimes against property. Overall, the chance of being victimized by such crimes was about three times higher in 1978 than it had been in 1960. This highly publicized trend has led to greater feelings of apprehensiveness about personal safety. Between the mid-1960s and the mid-1970s, for example, the percentage of women who reported that they were afraid to walk alone at night near their homes increased by almost 20 percent.[14]

The good news about crime in recent years is not likely to dissuade many people from their fears, but it is nonetheless a significant trend. It appears that increases in the crime rates were far more rapid in the 1960s than in the early or mid-1970s. For many types of offenses, the rate of reported crime appears to be leveling off; for some—such as murder and robbery—rates have actually declined in recent years.[15]

Leisure Time

In other areas, significant progress has been made toward quality-of-life goals. Chief among them is the amount of leisure time people have. There has been a dramatic decline over the past century in the number of hours the average American works each week—from about 60 hours a week in 1870 to about 39 hours today.

However, there are substantial problems in assessing how much free time most people have. There are government figures on the reported length of the workweek, but not all occupations are covered, and overtime and "moonlighting" often go unreported. Nor would it be accurate to label as leisure time all of the hours when one is not engaged in paid work, for much of that time is filled with family duties, household chores, or personal errands. Nonetheless, "time diary" studies conducted over the past two decades indicate roughly how much free time Americans have and what they do with that time.

Those studies found several patterns. The most significant is that between 1965 and 1975, American adults gained a substantial amount of free time. Over that decade, there was an increase of nearly 4 hours a week in free time, from 34.8 to 38.5 hours. This increase is attributable chiefly to a decrease in the number of hours spent at work and the number of hours occupied with housework and family care. The drop in the number of hours devoted to housework appears due not only to the increased proportion of employed women or to the fact that family size is smaller than it was a generation ago, but also to improved household technology and the availability of "ready to serve" foods.[16]

What do people do with their free time? Contrary to the popular notion that ours is a nation that increasingly devotes itself to "active leisure" such as jogging or other fitness activities, the time diary studies find that this is *not* the case. As sociologist John Robinson comments, "Americans come home each night and reach not for the sweat suit but for man's most constant companion, the television set."[17] Between 1965 and 1975, there were greater increases in television viewing than in any other single activity. In fact, 40 percent of all free time (excluding sleeping) was spent viewing television in 1975, as compared to about 30 percent in 1965. Those whose viewing time has increased include young and old, the married and the unmarried, couples with children and couples without, and individuals from the entire range of socioeconomic circumstances. Time-diary studies conducted in nations such as France, Great Britain, and Japan show that Americans are not alone in their penchant for TV viewing; in each of those nations people are, on the average, enjoying more leisure and devoting more of it to television.[18]

A shorter average work week appears to have ushered in not an era of active and creative leisure but rather an era in which many Americans spend more time in the least demanding of free-time activities, such as TV viewing and listening to popular music. It appears that there has even been an increase in the number of hours that the average American spends sleeping.[19]

Whether one regards this as a benign trend or an indication of the inability of most people to use leisure creatively (T. S. Eliot epitomized this view when he characterized modern man in his leisure as being "distracted from distraction by distraction"), most people seem at least moderately satisfied with their leisure activities; only 1 out of 10 people say that they get little or no satisfaction from their free time.[20]

Arts and Humanities

One gets quite a different impression of what Americans are doing with their free time by looking at the liveliness of the arts and humanities. When people are asked what contributes to the quality of their lives, the majority of Americans agree about the importance of cultural facilities. In surveys conducted several years ago by the National Endowment for the Arts and the Census Bureau, for example, more than 9 out of 10 people agreed with the statement "Things like museums, theatres, and music performances make a community a better place to live in." More than a third reported engaging in some type of arts activity "a great deal." And more than four in five ranked the arts on a level with other services generally considered essential to a community.[21]

Today, many communities enjoy a range of cultural activities—including dance and theatre, classical and folk music, popular and esoteric arts—that far exceeds what was available several decades ago. For example, more than 750 new museums have been founded in this country over the past decade. The arts and humanities have a broad audience. In recent years, more people attended arts events than the total number attending sports events, and the nation's museums received about 360 million visitors, six times the number of spectators at all professional baseball, football, and basketball games.[22]

One factor that has contributed to the liveliness of the arts and humanities is government assistance, especially that provided by the National Endowment for the Arts and the National Endowment for the Humanities. Such subsidies began in the mid-1960s. Although government aid covers only a small part of the total costs of the arts and humanities (in the arts, for example, public funds amount to far less than the revenues from ticket sales or private donations), it has been an important factor in their growth. Between 1966 and 1980, annual appropriations for the National Endowment for the Arts grew from $2.5 million to approximately $150 million;[23] that rapid rise served both as a reflection of general interest in the arts and as a stimulus to further growth.

Despite the increase in appropriations, the level of federal funding for the arts and humanities is comparatively quite small: For example, the combined budgets of the Arts and Humanities Endowments come to less than one-third of that for the National Science Foundation.

And, given current constraints on public spending, it would be unrealistic to expect appropriations for the arts and humanities to continue to increase at the same rates as in the recent past. Inevitably, in a time of budgetary constraints, there will be some who insist that the arts and humanities should be set aside as a relatively low public priority, a clear instance of "nonessential" spending. One task for the 1980s, therefore, will be to reaffirm the importance of the arts and humanities and to devise new and more effective partnerships between the public and private sectors in order to provide continued support.

Many such partnerships have already been forged in the arts. This Panel is seriously concerned, however, about the outlook for the humanities, particularly about the continued viability of the three institutions that carry so much of the responsibility for the humanities: liberal arts colleges, museums, and libraries. Few people begrudge funds required to maintain and expand such institutions, but relatively few people actively support those institutions until they are threatened with insolvency. Public libraries are especially vulnerable because they are highly dependent on local taxes and often among the first "nonessential" services cut to lower taxes.

This nation cannot afford to neglect the humanities or to allow them to be pushed aside by other concerns that seem more urgent. For centuries, the humanities needed no defense. To be able to think critically, to be morally discerning and esthetically discriminating were the hallmarks of a well-educated person. Today more than ever, the task of the humanities—to make moral and intellectual sense of the world, to prepare citizens who are literate in the broadest sense of the term—is crucial. Unlike specialized training, the humanistic tradition seeks to impart the moral discipline that both individuals and societies need to make critical choices. The humanities remind us that to be human is to be interdependent, to recognize our indebtedness to past generations and our obligations to future ones, to be aware not only of this nation's diverse heritage but also of its central traditions and common values, and to understand other cultures as well as our own. In the words of a recent report from the Commission on the Humanities:

> The humanities lead beyond "functional" literacy and basic skills to critical judgment and discrimination, enabling citizens to view political issues from an informed perspective. Through familiarity with foreign cultures—as well as our own subcultures—the humanities show that citizenship means belonging to something larger than neighborhood or nation. . . . We cannot afford to look parochially at other cultures as curiosities, "like

> us" only insofar as their members have converted to Christianity or studied at Oxford or Yale.[24]

This Panel agrees with the authors of that report that "the humanities are widely undervalued and often poorly understood," and that efforts must be made to reaffirm their importance and to ensure their continued vitality.

Our achievements as a nation cannot be reckoned solely in terms of superior power, wealth, and technology. The policies of the next decade have to be responsive to a deep concern for that which enriches the quality of our lives—and the arts and humanities make an important contribution. A national agenda for the 1980s must reflect our deep commitment to cultural activity, to artistic and scholarly accomplishment, to the realm of ideas and the life of the spirit. Even in an era of tight budgetary constraints, it would be a grave mistake to regard the arts and humanities as an indulgence.

There are various ways of acknowledging the importance of the arts and humanities, not all of which require steadily increased funding from the public sector. We would, for example, urge the nation's corporations to use more fully the 5 percent of pretax income the law allows them to deduct for charitable contributions. More of those contributions could be used to support the humanities. For a wide range of institutions devoted to the humanities—including colleges, museums, libraries, and public television stations—costs have increased faster than inflation. We urge the private sector to recognize the plight of such institutions and to respond to their needs before they are forced to cut back programs and facilities.

In order to ensure the continued vitality of the arts and humanities, we would underscore the importance of two types of initiatives:

First, this nation must improve the quality of education in its elementary and secondary schools; and the arts and humanities must be recognized as a crucial part of basic education. It has been shown repeatedly that people who are exposed to the arts and humanities as children remain interested and involved in cultural activities as adults. More fundamentally, the purpose of schooling is broader than the teaching of basic "language skills" or computational abilities. Our schools must, in addition, prepare young people for competent and informed participation in community life by exposing them to a curriculum that includes a broad humanistic concern and demands critical thinking and an understanding of cultural traditions as basic skills along with reading and writing.

Second, the media must be recognized as an important vehicle for the arts and humanities. Along with schools and colleges, libraries and museums, the media play an important role in describing and interpreting the world. Over the past few decades, television has exerted enormous influence, for better or for worse. As former FCC commissioner Nicholas Johnson once remarked, "All television is educational television. The only question is: What is it teaching?"

As the 1980s begin, the nation is witnessing an explosion of innovations in telecommunications, including multichannel cable services, satellite distribution systems, and the development and marketing of videocassette and videodisk equipment. As a consequence, this, the second generation of television users, will have far more options in what they view. Increased options, however, do not guarantee programs of higher quality, nor do they guarantee that the arts and humanities will be any better served by the programming of the 1980s than they were by the programming of the past generation. We must ask what television is teaching, and how this newly expanded resource should be used.

Remembering that the original purpose of the National Endowments was to disseminate the arts and humanities, we urge the federal government to invest more heavily in public television. We do not agree with the assertion that cable TV will make public broadcasting a less important medium in the 1980s. Public television signals already reach more than 80 percent of all American households. Far fewer households—about 22 percent of households with TV—are wired for cable.[25] Moreover, public television is free to viewers, while cable is not. It would be a mistake to withdraw funding from public television on the assumption that much of its audience will soon turn to cable programming. Today, the public broadcasting system is the only programming facility that has a major commitment to bring the arts and humanities—and other educational programming—to the entire viewing public; for the foreseeable future it will be the only system capable of doing so. Because the costs of TV production have risen much faster than inflation, the agencies that are producing serious TV fare must be assured that they will be able to maintain a commitment to high-quality productions.

> **Accordingly, this Panel recommends that the federal government devote more resources to the dissemination through the public television system of high-quality programming devoted to the arts and humanities.**

We also urge the private sector to recognize and respond to the fiscal crisis that public broadcasting facilities face today.

In addition, we endorse a proposal made in a recent Carnegie Corporation report for a pay cable network for the performing arts, culture, and entertainment (PACE).[26] This nonprofit, tax-exempt entity would use the combined capabilities of cable hook-ups and satellite transmission to bring the arts and humanities into millions of American homes. In the words of that report, "America has taken its place among the artistic capitals of the world, with a diversity, vitality, and sheer volume of activity unmatched in history. . . . We are convinced that there is far more than enough superior material to sustain a service of unparalleled excellence—a service that people will pay for and enjoy month after month."[27] After a start-up period that would require public support, most of its costs would be paid for by subscribers.

It is the responsibility of each generation to nourish the arts and humanities, those productions of the human spirit that most distinguish mankind. We believe that a pay cable network for the arts and humanities as well as a renewed financial and philosophical commitment to high-quality programming for public television would be two valuable ways of enriching the lives of millions of Americans by increasing access to excellence.

Education

No list of factors that contribute to the quality of American life would be complete without acknowledging the impressive expansion in the nation's educational system. For generations, Americans have regarded education as the road to success and the good life. But education has never in our history received as much attention as it has over the past 20 years. During that time, educational opportunities have expanded significantly, and in the process we have learned a good deal about what *cannot* be accomplished merely by increasing the exposure of the American public to formal schooling without at the same time paying attention to its quality.

More than two-thirds of all adult Americans now have at least a high school education. In the 1970s alone, the proportion of the 25-and-over population with a high school diploma climbed from 55 percent to 68 percent. In that same period, the proportion of adults with a least 1 year of college increased from 21 percent to 3[illegible] percent, while the share of those with 4 years of college climbed from 11 percent to 16 percent.[28]

This achievement, which enhances the quality of American life in various ways, has some troubling aspects as well. Despite rapid increases in average per-pupil expenditures for elementary and secondary school students (between 1950 and 1977, for example, the average per-pupil expenditure in public schools more than tripled, from $518 to $1,578 in 1977 dollars,[29] test scores have been declining, seemingly defying our best efforts to improve not only the quantity but also the quality of American education.[30] School drop-out rates are still depressingly high: Overall, about 1 in 20 of the nation's 14- to 17-year-olds is a high school dropout; among black and Hispanic students, the dropout rate is far higher.[31] Serious questions have been raised about the skills of those who remain in school: It is estimated that about one child in five is at least a grade behind in school, and that some 13 percent of all 17-year-olds are functionally illiterate.[32]

When Americans are asked about the components of a happy and satisfying life, education is near the top of the list. But when asked how satisfied they are with various aspects of their lives, only one person in four reports great satisfaction with his educational achievement. What has happened is that as the educational level of the nation has risen, so has dissatisfaction with one's own educational level. This dissatisfaction is particularly evident among the large numbers of Americans who started college but did not earn a degree. This is one of the "failures of success" that has become evident in recent years. Even in an area of conspicuous national accomplishment such as education, it appears that individual expectations outstrip accomplishments. And, as a result of those unmet expectations, there is for millions of Americans a sense of frustration about having less education than others do.[33]

Working Life

Satisfaction with work is an important contributing factor to general well-being. It is not simply that work takes up so many of the hours of our lives, or that jobs provide the income necessary to enjoy many of life's other satisfactions. The fact that a large majority of employed men and women say that they would continue to work even if their economic needs were met suggests that for most people work satisfies various needs—such as a need for achievement, personal recognition, or the pleasure derived from working with other people. As Albert Camus put it in his *Notebooks*: "Without work, all life goes rotten. But when work is soulless, life stifles and dies."

Clearly, much of the concern about "quality of working life" over the past decade reflects new attitudes and rising expectations. Not long ago, a good job was defined by most people as one that offered steady work, fair pay, reasonable work hours, and a modest package of fringe benefits. Judged by those standards, the working conditions of most of the American labor force are quite adequate today. By and large, there have been steady increases in compensation and employee benefits, improved worker safety standards, and more generous retirement policies. But the very concept of "quality of working life" suggests something more than those traditional standards; that term has come to reflect the newer expectations of work. According to those new expectations, a job should be not merely life-sustaining but positively life-enhancing.

During the 1970s, it was commonly asserted that the traditional work ethic had seriously eroded; that absenteeism, worker apathy, and insubordination had become rampant; that the younger generation in particular was engaging in a sullen rebellion in the workplace. While recent surveys have demonstrated that younger workers have somewhat different expectations, the most reliable studies suggest a fairly high level of worker satisfaction. In a 1978 study conducted by the Institute for Social Research, for example, four out of five workers reported that they were satisfied to some degree with their jobs, and one out of three described themselves as "completely satisfied."[34] Although most American workers still express a high level of satisfaction, there appears to be a slight but significant drop in job satisfaction in the 1970s.

Recent studies of the American worker shed some light on the paradoxical connection between education and job satisfaction, and in doing so help to illuminate the problem of rising expectations. These studies found that workers with the least education are most likely to report satisfaction with their jobs, while the workers who are least satisfied with their jobs are those who attended college but did not receive a degree. It appears that one of the main effects of exposure to higher education is to heighten career aspirations. Among those who do not complete the degree there is a certain tension between those heightened aspirations and the constraints imposed by the lack of a college degree.

Today's workers have a stronger sense of self-respect, less tolerance for authoritarian management and organizational constraints, and higher expectations. This is apparent in increasing demands for participation and in the complaints that arise when those demands are not met. In one nationwide survey conducted in 1977, for example, 54 percent of all workers surveyed complained about having no control over job assignments. And 77 percent said the lack of control over the days they work was a problem.[35]

Over the next decade, the growth rate of the American labor force will be slower than it has been in the recent past. At the same time, there will be a significant increase in the number of mature and better educated employees who have a stronger self-image than workers of the past and who want more meaningful work and more of a voice in the workplace. The implications of these changes for the quality of work life are profound. In order to maintain a labor force in which most workers are both satisfied and productive, it will be essential for management to recognize and adjust to the new values of the best-educated labor force in the nation's history.

Prospects for the Improvement of Well-Being

We will now take a broader look at the quality of American life and prospects for its improvement. Considering the impression of malaise, of pervasive discontent with the quality of life today, it is significant that so many Americans seem quite satisfied with their personal lives. Over the past two decades, there has been notable progress toward quality-of-life goals in such areas as housing, health, leisure time, and access to the arts and humanities. In each of these areas, most Americans seem to be content with their current situation.

But we noted too the paradox of considerable discontent in areas such as education and income where, by objective standards, this nation has made significant advances. This should not surprise us, for "satisfaction" is a subjective phenomenon which reflects not only changes in our circumstances but also changes in our aspirations. As Angus Campbell has suggested, perhaps the reason why most people are far more satisfied with their marriages, their families, and their friends than they are with their education or income is that in the latter areas, there is a clear standard of comparison. One's educational achievement and income are quantifiable and easily compared with what others have achieved. In such areas, a sense of relative deprivation may well cause some dissatisfaction. By contrast, there is no such objective standard for assessing one's marriage, family, or friends, and thus less of a sense of being justified in feeling dissatisfied.[36]

There is a more basic point here as well, and one that helps us to understand why even effective public initiatives may not lead to a sense of enhanced well-being: In many ways, a sense of well-being is a relative thing. How one feels about one's education or income depends in large part upon how much one has *compared to others.* There is a correlation between level of reported well-being and the individual's position on the economic ladder. Those whose family incomes are in the midrange of the population are more likely to report being "very happy" compared to those in the lower range, and less likely to report being "very happy" compared to those in the upper income range.[37]

To the extent that satisfaction—in such areas as education and income—derives mainly from one's status relative to others and not from progress toward some attainable and fixed goal, economic growth that causes the nation's standard of living to rise will not necessarily lead to an enhanced sense of well-being.

As George Lundberg once commented, poverty, which once was "state of the stomach," has become, for most Americans, "a state of mind," a matter of relative deprivation. This is illustrated by the answers to a question that has been asked repeatedly in Gallup polls: "What is the smallest amount of money a family of four needs to get along in this community?" The responses that people give are a consistent fraction—slightly more than one-half—of the *average* income at the time the question is asked.[38] Each person acts on the assumption that a higher income would lead to increased contentment. But since it is obvious that, over time, everyone cannot become relatively better off, increased income does not bring the satisfaction that people expect.

The Broader Contexts of Well-Being

Aside from what it tells us about the satisfaction that people get from the various domains of their personal lives, the research on social indicators also tells us how people feel about the neighborhoods, towns, and cities in which they live—and about the nation as a whole.

Imagine an individual standing at the center of perhaps half a dozen concentric rings. Working out from the center, the closest ring describes the individual's intimate environment—marriage, family, and friends. The next ring describes the neighborhood in which one lives. The rings that are most distant from the individual refer to the city, state, and nation. One might summarize the literature on satisfaction by noting that people tend to be most content with what is closest to them, least satisfied with what is most distant.

This pattern suggests a significant trend: If people seem relatively content with what is closest to them, there is at the same time a pattern of increasing dissatisfaction with and pessimism about the broader contexts of our collective lives, particularly about the state of our cities and the state of the nation.

When people are asked how satisfied they feel with the communities in which they live, there are sharply different perceptions about the severity of the problems facing the nation's cities, as opposed to the suburbs or small towns. This is particularly marked with regard to three areas that affect the quality of life: crime and personal safety, child rearing and the schools, and social problems such as unemployment, drugs, and juvenile gangs.[39]

The people with the most favorable views of their communities and those who are most optimistic about the future of their communities are those living in small towns or rural areas. People who live in such areas are generally optimistic about improvements in their schools, their housing, and leisure-time facilities.[40]

Suburbanites have a somewhat more mixed assessment of their past and future. While they tend to be optimistic about such things as improved public schools, housing, and public services, they also commonly note the encroachments of certain urban-type problems, such as deterioration in the quality of the physical and natural environment.

It is city residents—especially people who live in large (over 250,000 population) cities with declining populations—who are most pessimistic about personal safety, schools, and the deterioration of air and water quality. Although on the whole they expect improvement in such aspects as leisure-time facilities, restaurants, plays and museums, they also indicate the greatest sense of decline.[41]

The pattern of expressed satisfaction with the quality of life in different kinds of communities is both obvious and consistent: the larger the community, the less likely people are to regard it as "a good place to live."[42] Whether it is the sheer size of large communities, their jarring heterogeneity, or the social problems that tend to be concentrated in metropolitan areas, people are less satisfied with their lives in urban centers than they are elsewhere.

The same pattern is reflected in citizen attitudes toward government. In general, Americans view local government as most responsive and least wasteful, as compared to government at the state and federal levels. Here again people in the smallest units are most optimistic. City residents view their local governments as less responsive and more wasteful than do those who live in suburbs or small towns.[43]

Given these views, it is not surprising that almost half of the adult population expresses a preference to live in a rural area or a small town, while only 16 percent would choose to live in a large city as their first preference. What is remarkable is how quickly the preference for small towns or rural areas seems to be growing. In less than 2 years—between January 1978 and November 1979—the proportion who chose a rural area or small town as the place where they would most like to live increased from 25 percent to 36 percent.[44] This helps to account for one of the significant patterns revealed in the 1980 census, the pattern of reverse migration from cities and suburbs to small towns. Of the various indications of changing values and of a new stress on quality-of-life considerations, this is one of the most striking. It is also one that, if it continues, will have broad implications for public policy.

The State of the Nation

Let us carry this analysis one step further, to the area that is most remote from the personal life of the individual, and ask how perceptions of the nation as a whole have changed. Studies have consistently shown how remote events at the national level are from the day-to-day concerns and satisfactions of most people's lives. Ordinarily, reported feelings of individual well-being do not seem to be directly affected by what takes place on the national scene.

We noted earlier that people tend to be much more pessimistic about the nation and its future than they are about their own lives and fortunes. Since the mid-1960s, that pessimism has become more marked. There has been an erosion of public trust in government and a growing sense of the wastefulness of government. Perhaps no single indicator is so revealing as the evaluations of the condition of our nation as a whole: For some years, when asked whether they thought that next year would be better or worse than the year before for the nation, a considerable majority agreed that it would be better. However, over the past few years, several polls have noted a reversal in attitudes. Today, considerably more people think that next year will be worse for the nation than last year was, a perception that is held throughout the population. (See Figure 1.)

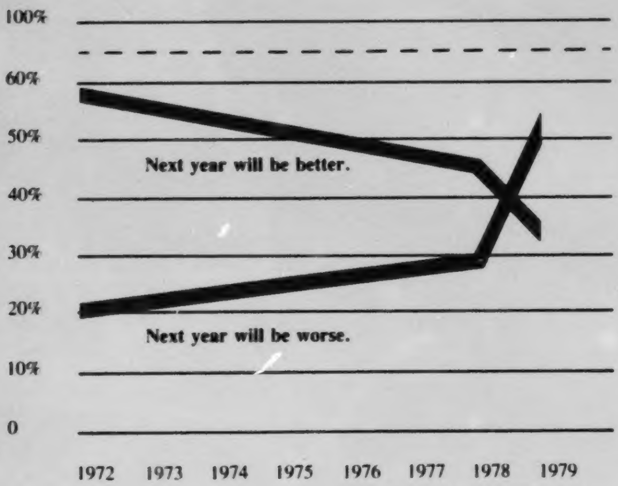
Public pessimism about national prospects for the future is by no means limited to the United States. Gallup polls taken late in 1979 in 10 nations suggest that this is a pervasive feeling. Although the greatest loss of optimism, especially about national economic prospects, was registered in the United States, feelings of growing pessimism characterized a majority of those nations.[43]

Perhaps most significant in looking ahead to the quality of life in the 1980s is that over recent years there seems to be a growing sense that those more general conditions are beginning to affect the immediate spheres of personal life. There is also a greater sense of foreboding, not only about personal finance, but also about such matters as the quality of family life and the availability of affordable housing. Although most people are still more optimistic about their personal lives than they are about the nation as a whole, that sense of optimism about one's personal future has eroded considerably in recent years. Polls, such as a recent Gallup survey that asks people whether they are satisfied or dissatisfied with the future facing them and their family, show a dramatic reversal of outlook. (See Figure 2.)

What appears to have happened, then, is a pervasive change in the nation's mood: Not only is the nation as a whole perceived to be in deteriorating condition, there has also been a dramatic shift toward greater dissatisfaction with one's personal prospects. This is indeed a dramatic reversal in outlook for a nation that until a few years ago was generally confident it was on the upward path toward the affluent society. What is most remarkable is that it is a pessimism that is largely prospective: there has been no real decline in the circumstances of most Americans that would provide the grounds for such a reversal of attitude.

Figure 1
Percentage of Americans Who Think "Next Year" Will Be Better or Worse

Question: As far as you're concerned, do you expect next year (named year) will be better or worse than (named previous year)?

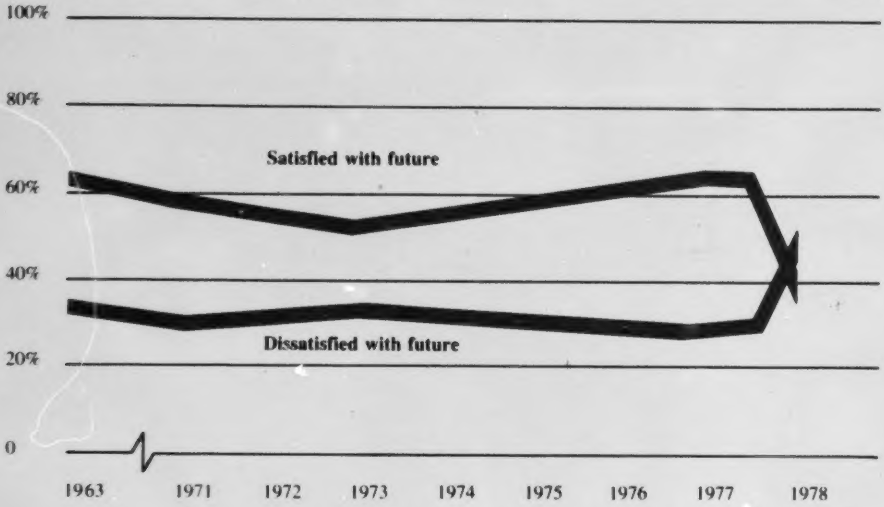


1972	1978	1979	
57%	45%	33%	**Better**
21	30	55	**Worse**
14	18	—	**Same (volunteered)**
6	7	12	**Don't know**

[Source: American Institute on Public Opinion (Gallup)]

Figure 2
Percentage of Americans Who Are Satisfied or Dissatisfied with the Future Facing Them and Their Families

Question: On the whole, would you say you are satisfied or dissatisfied with the future facing you and your family?



	1963	1971	1973	January 1977	July 1977	September 1978
Satisfied with future	64%	58%	53%	65%	64%	41%
Dissatisfied with future	34	30	34	29	30	51
No opinion	2	12	13	6	6	8

[Source: American Institute on Public Opinion-(Gallup)]

Thus, the public mood as we conduct our analysis of the quality of American life in the 1980s is remarkably different from what it was 20 years ago when the last Presidential goals commission produced a volume entitled *Goals for Americans*. Then, there was far more optimism about the prospects of sustaining rapid economic growth, and a certain boldness about how, by expanding the government's role, America might become a society in which more people could enjoy a greater sense of well-being.

In that era when there was little sense of the limits of what government might accomplish, the consistent emphasis of the commission was to ask what *else* might be done, how the public sector might expand to offer the amenities that a wealthy society could afford.

Given the new realities of recent years and the changed national mood, our approach is a different one. In Part II of this report, we focus on three broad developments that may detract from a sense of well-being for millions of Americans in the 1980s. With regard to each topic, there are, we believe, certain basic questions that the nation's leaders must address, and certain changes in our attitudes as well as our institutions that would allow us to face new realities more realistically and constructively.

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44. Survey by Louis Harris and Associates, 1980.
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Chapter 4

QUALITY OF LIFE IN A Slower Growth SOCIETY

Lowering expectations is an extremely hard thing to accept. We're very rich people here and everyone has grown up with the idea that you can always expect more. Now we've got to go back a few steps. The mental change required is very painful.

—Spokesman for the Swedish Employers' Association, commenting on a strike settlement reached amidst debate about the country's eroding economic position. *The New York Times,* May 14, 1980.

One basic choice facing this nation in the 1980s with fundamental implications for quality of life is the question of what economic growth rate is most desirable, and what will be required to attain it. As a national issue, concern for accelerating economic growth has gone in and out of fashion over the past few decades. In 1960, when the last national goals commission convened, it was a real preoccupation and a prominent issue in the Presidential campaign. The question then was whether America was falling behind Russia not only in the arms race but also in the growth race.

Today, faced with declining productivity growth rates, the nation has turned its attention once again to the matter of economic growth. But it is a very different kind of debate from what it was 20 years ago. Then, rapid economic growth was an unquestioned and overarching goal, and one that could realistically be accomplished. In recent years, questions have been raised about the nation's commitment to rapid growth and about the ability of advanced industrial economies to sustain such growth.

Our colleagues who prepared the Panel report on the American economy have underlined the importance of making firm decisions about national growth objectives. We agree with them that it is essential to discuss not only optimal growth rates, but also the question of what kind of economic growth we want. Although economic analysis provides the backdrop for this chapter, our main concern is to examine quality-of-life implications of the alternatives we face. Rapid economic growth, like any other national goal, has a price tag. Our purpose is to contribute to the debate about growth objectives by examining some of those costs and identifying some of the obstacles to returning to a situation of rapid growth.

A Legacy of Rapid Growth

Economic growth has been fundamental to the American experience. More conspicuously than in other industrial nations, growth has been our secular religion. Whatever else the "American Dream" has meant, one of its basic themes has been material progress, the assumption that a progressively higher standard of living could be gained for a growing population.

The foundation for our economic system was laid by previous generations who prepared its infrastructure by finding energy sources, building transportation and communication routes, and accumulating capital in the form of plants and equipment. With that foundation in place, Americans began to enjoy a high level of consumption and a standard of living that was the envy of the industrial world in the postwar era, when the nation experienced an unprecedented period of rapid and sustained growth. A combination of circumstances—including cheap energy, a low inflation rate, significant scientific and technological advances, and a favorable international situation—contributed to those high growth rates.

Rapid growth has also served as a political solvent. If everyone could have more, the divisive issue of reallocating resources could be avoided. The means for financing social welfare expenditures such as the Great Society programs came not from reform of the tax structure but from economic growth. President Kennedy once remarked that "a rising tide lifts all the boats"; that adage expressed an assumption so basic it is only rarely articulated: Economic progress has been regarded as unambiguously good by people of various political persuasions because it has led to improved conditions for the majority of Americans.

There have been psychological as well as material dividends. Rapid economic progress provided tangible symbols of success for many Americans such as the suburban home, the new car, access to higher education, and a retirement virtually free of economic concern. Whereas previous generations of Americans had aspirations for success in the future—perhaps not until the next generation—while they made sacrifices in the present, the phenomenon of postwar affluence gave rise to a new set of attitudes. Prosperity was accompanied by a sense that it was no longer necessary to defer certain pleasures, that one could enjoy current consumption and still look forward to an even more affluent future.

It was, in brief, the phenomenon of rapid economic growth that shaped so much of the social and psychological landscape of American society in the postwar period and raised the expectations of millions of Americans who had known nothing else.

A New Economic Era—Social and Physical Limits to Growth

Beginning in the 1970s, however, various factors emerged that affected economic performance and called into question the continued ability of the economy to provide the dividends of rapid growth. The oil shortages signaled the end of an era in which vital resources were cheap and readily available. Those shortages were the most palpable indication of severe resource constraints and of the vulnerability of the American economy to decisions made abroad. Capital investment declined, and the unprecedented phenomenon of "stagflation"—simultaneous high inflation and high unemployment—became a new fact of economic life. Inflation soared from an average rate of 2.5 percent in the 1960s to 7.4 percent in the 1970s. Public confidence in the ability of government, business, and economists to understand and control such phenomena was severely shaken.

Indicators of growth and productivity in recent years confirm a widespread sense of uncertainty about the economic future. The real growth rate of the gross national product (GNP), which had been more than 4 percent per year in the 1960s, declined to less than 3 percent in the 1970s. Unemployment, which averaged 4.8 percent in the 1960s, increased to an average of 6.7 percent in the 1970s. Among various indications of a trend toward slower growth, the productivity rate is the most fundamental, since higher productivity is the basic source of improvements in our economic well-being. In recent years, especially since 1973, productivity growth in the United States has been alarmingly slow in comparison to other countries, as well as to our own past performance. During the period 1947-1965, the average rise in productivity was 3.2 percent a year; from 1965 to 1973, the average was 2.3 percent; then, in the period 1973-1978, there was a disturbing slide to a rate of only 1 percent a year; in 1979, labor productivity actually declined. In recent years, our productivity growth rate has been one of the lowest in the industrial world and about one-third the rate recently achieved by the Japanese economy.[1]

These are trends that this Commission's panel on the economy has examined in some detail. We shall bring a somewhat different perspective to those questions by examining the social mainsprings of economic performance and analyzing the connection between cultural values, attitudes, and economic performance. Any attempt to explain the American economic performance of the recent past, or to formulate a satisfactory growth policy for the 1980s, should, we believe, consider the cultural changes that have taken place.

One gauge of changing values is provided by surveys that inquire about the relative importance of heightened consumption. Consider the following responses to a Harris poll conducted in 1977:

- ☐ By a 79 percent to 17 percent majority, Americans would place greater emphasis on "teaching people how to live with basic essentials" than on "reaching higher standards of living."
- ☐ By a 76 percent to 17 percent majority, the public would opt for "learning to get our pleasure out of nonmaterial experiences" rather than "satisfying our needs for more goods and services."
- ☐ A 77 percent majority favors "spending more time getting to know each other as human beings on a person-to-person basis," rather than "improving and speeding up our ability to communicate with each other through better technology."
- ☐ By a ratio of more than two to one, Americans would prefer to control inflation by buying fewer of the products in short supply rather than by attempting to produce more of those goods.[2]

Such responses do not, of course, indicate that a majority of Americans are about to abandon the affluent society, or give up their taste for material goods. Few people are prepared to accept a lowered standard of living or a reduction in goods and services. Most Americans want *both* the continued increments in standard of living to which they have become accustomed and the amenities that contribute to a better quality of life—and therein lies a problem to which we will return. But reservations about the benefits of material progress are significant; they indicate a widespread recognition that affluence alone does not necessarily guarantee a high quality of life.

It is not only in the values they express but also in their behavior that Americans indicate a waning of support for the growth ethic. Throughout the 1970s an increasingly large percentage of males aged 55 to 64 chose to sacrifice salary and future pension benefits by retiring before they were forced to. The percentage of men in that age category who have chosen to retire early is about twice as high as it was a generation ago, indicating the attraction of goals other than economic advancement, as well as the effect of early retirement policies that make it possible.[3]

A reordering of values and priorities such as that suggested by opinion polls and retirement patterns is just one dimension of a larger phenomenon, the redefinition of what sociologist Amitai Etzioni refers to as the society's "core project."[4] Etzioni argues that most modern societies pursue one dominant purpose, or core project, that takes precedence over others. The commitment to that core project is reflected in the way GNP is generated and spent, in the allocation of public expenditures, in the values inculcated by families and schools, and in the institutions that accumulate the greatest concentrations of power. For almost a century, America's core project was a commitment to the development of its industrial capabilities. But over the past two decades, Etzioni argues, there have been challenges to the industrial core project.

One indication of changing priorities and a waning commitment to the industrial core project can be seen in declining rates of investment. Compared to other industrial nations, the investment rate in the United States has been quite low for several decades, a pattern that has been accentuated in recent years. In the latter part of the 1970s, this nation engaged in its biggest spending spree in history, with the result that as the new decade began the nation's indebtedness—including corporate debt, consumer installment debt, and mortgage debt—was at an all-time high.[5]

Perhaps the most striking evidence of this challenge to the industrial core project can be seen in the rapid growth of public expenditures. In the United States, as in other industrial nations, public expenditures have been taking an increasing share of the gross national product for several generations. But in the 1960s, due largely to the costs of Great Society programs, there was a marked rise in such expenditures, and those increases continued into the 1970s. There were sharp increases in the federal budget for such areas as health, education, and the transfer payments called for under the insurance provisions of the Social Security system.[6]

More and more, the wants of Americans have been translated into preferences for more services. Ours has become a service economy: At the turn of the century, only 3 out of 10 workers were employed in service occupations; today, a majority of the labor force consists of service workers.[7] Our productivity rate would be rising more rapidly if this were not the case, because productivity can be heightened more readily in the industrial sector than in the service sector. But collectively we have made a choice for more services and, in doing so, have brought about a slower growth rate.

In recent years, increasing attention has been paid to the ways in which social factors such as changing consumption preferences, greater demands for social services, and changes in worker motivation affect the nation's ability to sustain rapid economic growth. By placing a higher priority on quality-of-life considerations, we have as a society made a tradeoff that results in somewhat slower economic growth. Just as quality-of-life tradeoffs exist for individuals (who may choose, for example, to live in more pleasant and secure neighborhoods at some distance from their workplace in exchange for the time and expense of commuting), such tradeoffs also exist for entire societies. Two examples illustrate the point:

☐ Because of concern for the welfare of workers who would be unemployed if companies went out of business, public policy makers have been notably reluctant to allow the "disinvestment process" to proceed. Economic growth requires not only new investment and new products, but also disinvestment—the withdrawal of labor and capital from low-productivity firms and industries. But since the closing of factories and firms represents a threat to employees and their families, the public sector has acted to prop up inefficient industries by offering subsidies and negotiating tariffs to protect them. Such actions provide short-term economic security for the workers in those firms and industries, at the cost of lowering productivity for the economy as a whole.

☐ Over the past two decades, a wide variety of regulations have been created to enhance the safety of the worker, of consumer products, and of the natural environment. Such measures tend to impede growth either directly (e.g., when measures designed to protect the worker's safety cut down on productivity) or indirectly (e.g., when such regulations require the diversion of funds from investment in growth-producing plants and equipment).

The relatively slow growth of the American economy in recent years has resulted in part from such social decisions, which reflect a collective emphasis on quality of life. The economy is more sluggish than it was a decade ago, but the severity of our current situation should not be exaggerated: Though much attention has been paid to gloomy economic statistics in recent years, real disposable per capita income rose during the 1970s at a rate only slightly slower than the rates of the 1960s.[1] Most Americans enjoy a far better standard of living than their parents did.

What, then, is the reason for concern? The problem is largely prospective—and a matter of relative deprivation. Compared to the economic conditions of the 1950s and

1960s, both unemployment and the inflation rate are likely to remain higher than they were, and growth rates are likely to be somewhat slower. This means acute problems for those who are unemployed, and a more subtle and pervasive sense of discontent for many Americans who are not experiencing the increases in standard of living they came to expect.

Essentially, the problem is that Americans came to expect the amenities—both individual and collective—that a wealthy society could afford just as the performance of the economy began to slow down. Most Americans want and expect the fruits of continued material prosperity as well as the new amenities that were first promised in an era of rapid growth. They want rapid economic growth and interesting work, as well as less regimentation on the job. They want lower taxes, but they also expect continuous income in case of sickness, disability, and old age. They want both cheap fuel and freedom from fear about the potential hazards of nuclear power. In several ways, the new emphasis on quality of life competes with the traditional commitment to rapid economic growth, but the tradeoffs between these two goals are neither readily apparent nor widely discussed.

However, there does appear to be a widespread sense that this nation is going through a basic transition, even if the nature of that transition and the implications of slower growth are only dimly perceived. The growing perception of a new "psychology of limits" is perhaps the most significant aspect of that transition, and one that is revealed in the responses to various surveys in recent years. In 1979, for example, a 62 percent majority in one survey agreed with the statement that "Americans should get used to the fact that our wealth is limited and that most of us are not likely to become better off than we are now."[9]

Uncertain about the implications of slower growth and the tradeoffs it poses, the American public sends mixed messages to national leaders about what they should do and how they might accommodate the goal of quality of life with that of economic growth. In the absence of a clear commitment to the direction we should take, the nation's leaders face considerable pressure to make ineffective compromises among incompatible goals.

Choices for the 1980s

We are suggesting, then, that as the 1980s begin, the nation faces a critical choice, one that has a direct bearing on the quality of American life in this decade and beyond. After the rapid growth of the postwar era, various limits to growth—both physical and social—have emerged in recent years.

The traditional commitment to the industrial core project has been challenged on at least three fronts. One challenge came in the form of demands for a vastly expanded system of social services. A second challenge to that core project came in the form of a declining commitment to social values such as deferred gratification, the work ethos, and self-discipline. The industrial core project has also been challenged by rising oil costs, most dramatically by the quadrupling of the cost of foreign oil in 1973. Because energy is used in the production and distribution of almost everything, a rapid rise in energy prices has caused price increases in virtually all consumer goods, leading to high inflation.

It is possible that over the next few years the nation might return to growth rates such as those achieved in the 1950s and 1960s. Inflation might be dampened as the nation learns to be more energy-efficient and reduces its dependence on foreign oil. By eliminating such practices as cost-plus contracting, deficit spending, and automatic cost-of-living increases in public programs, the government might reduce the "underlying" inflation rate. In doing so, it would provide a spur to capital formation by making investments more profitable. And labor productivity could increase again by the mid-1980s, when the influx of new baby-boom workers abates. But few economists expect America to return to those high rates of growth over the next few years.

This nation is just beginning to understand the implications of slower economic growth. There is a dawning realization that, as rich as we are, we may not be able to afford a high-level commitment both to rapid economic growth and to those programs and amenities that enhance quality of life. Etzioni argues that increased expenditures for social programs designed to enhance the quality of life for millions of Americans have led to the neglect of the nation's industrial base, that the nation has been eating into its capital stock and deferring maintenance and replacement of the industrial infrastructure as a result.[10] The situation might be compared to that of a university whose expenditures exceed its income from the endowment. The more the endowment is used for current expenses, the less it will yield in future years. Etzioni argues that in the long run there are only two options for the nation's "endowment": either to invest more to rebuild the endowment or to settle for a lower standard of living.

It might well require, as Etzioni suggests, a decade of industrial redevelopment to rebuild the endowment and attain once again productivity growth rates that are equal to those of the other advanced industrial nations. But with a larger share of GNP going to capital investment and a larger share going to defense spending, there would be fewer resouces for those other expenditures that make the most immediate contribution to a high quality of life. "Practically speaking," writes Etzioni, the choice is between a "high power redevelopment drive and a rather thin quality-of-life program for the next decade," and "a quite effective quality-of-life program with growing underdevelopment." He points out that an emphasis on reindustrialization would not mean sacrificing all quality-of-life objectives, but it would mean deliberately deferring many new steps in this direction to a more distant future.

Etzioni concludes that "both from an economic and a social-psychic viewpoint, the present fairly high level of ambivalence and lack of clear priority needs to give way over the next few years to either a decade of rededication to the industrial core project, or a clearer commitment to a slow-growth society. In the long run, high ambivalence is too stressful for societies to endure."

Clearly, the choice of a "decade of industrial redevelopment"—with the sacrifices it would require, the cutbacks in government spending, and the lowered consumption standards it implies—would be regarded as politically unfeasible. This raises some substantial questions about whether any body of elected officials can really examine the merits of such a debate and advocate policies that may well be in the long-term interest of the American people.

The questions posed by such a discussion are fundamental ones: Given the apparent limits—both physical and social—to economic growth, must we choose just one overarching goal, or can some combination of goals be realistically achieved? If some combination, what tradeoffs are implied in giving up some growth in favor of other goals? If we are at least to maintain our current growth rates, will it be necessary to redefine or to cut back on our individual and collective aspirations? Looking beyond the 1980s, there is an even broader question to be raised: By maintaining current consumption patterns, are we "eating into the endowment," thus creating a situation in which the standard of living of our children and grandchildren is likely to be lower than our own?

No brief discussion can do justice to such complex questions. But since this Commission's mandate is to serve as a forum to discuss the national agenda and to clarify the implications and consequences of the alternatives this nation faces, we are obliged at least to raise them. As a first step toward exploring those questions, we shall describe some of the characteristics of a slower growth society in order to clarify the tradeoffs implied in trying to accommodate the goals of rapid economic growth and quality of life.

The Slower Growth Society

If, in the 1960s, many people started to question the assumption that more growth was necessarily better, one of the lessons of the global recession of the mid-1970s was that less growth was worse, that it was accompanied by a tangle of seemingly intractable problems. It became clear that lowered rates of economic activity made a variety of decisions more difficult and compounded the problems of effective governance.

Let us try to anticipate the characteristics of a slower growth society. Quite apart from the question of whether our society is likely—because of social choice or necessity—to be characterized by slower growth throughout the 1980s, there are a number of questions about how such a society would differ from one whose institutions are geared to rapid growth. What changes would be necessary in its social and political institutions? What sort of culture or "consciousness" would be appropriate to slower growth?

The theme is an obvious one: In many ways, not just the economy but the entire culture has been geared to rapid growth for the past generation. Economic growth has delivered psychic as well as material rewards, and has helped to mitigate class tensions. What, then, is likely to happen if we "gear down" to slower growth? What corresponding changes would be appropriate in our values, in family life, in the stress that schools place on competition and cooperation?

How is slower growth likely to affect individuals? Slower growth means that real income will not rise as fast as it did in the rapid growth years of the 1950s and 1960s. There will be particular problems for that large group known as the baby boom, many of whom will be in their thirties during this coming decade. Because of their numbers, there will be severe competition for a limited number of good jobs and advancements. Here we encounter the first of several problems resulting from the "zero-sum" characteristics of such a society: In an economy that no longer yields large annual increases in real income, where the "pie" is no longer growing as quickly as it was, it follows that things become more competitive because one person's gain is another's loss.

The children who grew up in the 1950s and 1960s—the baby-boom generation—took for granted rapid economic growth and visible improvements in quality of life, or at least in standard of living. For that group, there will be a particularly large gap between expectations and the realities they encounter as adults in the 1980s and 1990s, a gap that would only be exaggerated by a situation of slower growth.

Assuming that high inflation will continue, it is likely to kindle resentment and create certain tensions between the classes in several ways that are not immediately obvious. If inflation affected all members of the society equally, its effects on well-being would probably not be very strong, for—as we saw in Chapter 2—perceptions of well-being are a *relative* matter. How most people feel about their standard of living depends less upon their needs, or their own past experience, than it does on how much they have compared to others. But analysis of how the income of American workers in various sectors has changed in recent years shows how unequally the impact of inflation has been distributed. As sociologist Paul Blumberg points out, over the past decade there has been a dramatic but little-noticed change in relative incomes of white- and blue-collar employees: In the decade between 1967 and 1978, workers in unionized trades—such as steelworkers and teamsters—won substantial cost-of-living allowances that allowed them increased real wages of the sort that most workers enjoyed in the earlier postwar period. However, the salaries of many white-collar workers have not kept pace with inflation. Consequently, feelings of resentment about the effects of inflation are particularly strong among those members of the middle class—including clerical and retail sales workers, technicians and professionals—whose gains in income have been far exceeded by those of unionized blue-collar employees. Continued high inflation is likely to lead to feelings of sharp resentment among those workers who have been losing ground because the rate of inflation has not been offset by increased earnings.[11]

There is also some evidence that inflation has contributed to psychiatric problems. Money problems in themselves do not often cause psychiatric problems, but they may exacerbate the situation for people who are already vulnerable. Therapists report that inflation, and the standard-of-living sacrifices it requires, can contribute to marital discord, problem drinking, and aggressive behavior (and each of these, in turn, tends to lower productivity). There is more systematic evidence—presented by medical sociologist M. Harvey Brenner in a study entitled *Mental Illness and the Economy*—that whenever the unemployment rate rises, so do the suicide rate, the number of deaths from heart ailments, and the number of admissions to mental hospitals.[12]

In anticipating what kinds of problems might be exacerbated by slower growth, we must not overlook the fact that people accommodate themselves to new circumstances and lowered expectations. There is abundant evidence that millions of Americans have changed both attitudes and behavior in ways that suggest an accommodation to new constraints. Lower energy consumption, smaller cars, condominiums, and the two-wage-earner family are all indications of adjustment to new economic realities.

But some problems ushered in by slower growth cannot be so easily adapted to; chief among them is the question of income redistribution. To a considerable extent, it is material abundance—a rich supply of land, energy, and other resources—that has made possible the American combination of liberty and equality. Here we encounter some of the most difficult problems created by a zero-sum situation in which one person's gain is another's loss. If what happened during periods of recent economic stagnation is any indication of what would happen more broadly in a slower growth society, such a situation would most likely lead to income reversals for the poor. One of the basic questions about a society characterized by slower growth is how public support can be maintained for essential social welfare programs.

Just as slower growth would have certain effects on individuals, it would also affect government. Rapid growth has been popular because it allows a rising standard of living for all sectors of the population without requiring the politically painful experience of income redistribution. In a rapid growth situation such as the one this nation experienced in the postwar period, more people got a bigger slice of the pie because the pie was growing, not because the slices were drawn more equally. In an era of slower growth, there would accordingly be increased tensions over distribution, and many of those tensions would be expressed as competing demands in the political arena. Controlling governmental expenditures, which has proved difficult in a period of high growth, would very likely become an even greater problem in a period of slower growth.

We could speculate further about a society characterized by slower growth in order to anticipate the quality of life it would offer. But what is important to note is that many of the problems are those of *transition* from an era of high growth. It is during that transition period that there is a mismatch between expectations and realities. The gap between expectations and resources is vividly illustrated by one of the thorniest problems facing this nation in the 1980s, one that is exacerbated by slower growth rates and in turn contributes to slow growth—the problem of entitlement programs.

The Entitlement Problem

As we noted in Chapter 2, one of the basic factors that has contributed to the quality of life in industrial nations over the past century has been the gradual emergence of a doctrine of universal entitlement, a general agreement that the members of these societies have an equal claim to some minimal requirements for a decent life. We might, as Arthur Okun has suggested, divide all the "things" provided by society into two categories: In the first are those goods or services distributed unequally by the market according to one's ability to pay; in the second, those entitlements to which all individuals have a right by virtue of membership in the society.

One of the consequences of the revolution of rising expectations, as James O'Toole has pointed out, has been a substantial redefinition and expansion of individual rights.[13] The focus of debates over individual rights has shifted from the domain of personal liberties (such as freedom of speech, the right to vote, and equal justice under the law) to that of social entitlements (such as the right to a minimum family income, education, decent housing, a secure retirement, and adequate health care). As a result of an expanding doctrine of entitlement, individuals now have certain claims to benefits that they would otherwise have to buy. As this shift from goods provided by the market to those dispensed as entitlements by government has taken place, it has brought manifest benefits in the form of reduced poverty, better health, and more equality. It has also been one of the major reasons for the expansion of government.

The gradual expansion of entitlement programs does not by itself constitute a problem. In an era of rapid growth such as the one this nation experienced in the postwar period, such entitlements were regarded as amenities that a wealthy society could well afford. However, the problem with entitlements—and one that has received increasing attention in recent years as growth rates have slowed—is that they become more costly over time, regardless of the resources available to pay for them. As we face the prospect of an era of slower growth, questions have been raised about whether resources are available, in both the private and public sectors, to pay for them. And it has become clear that entitlement programs, which have contributed substantially to quality of life, also contribute to slower economic growth.

Entitlements in the Private Sector

Let us first examine the private-sector entitlements, most of which are provided in the form of employee benefit packages. Some of these entitlements (such as old age, disability, and health insurance, or unemployment compensation) are required by the government; others (such as private pensions, insurance programs, special medical and dental plans, or paid leave for holidays and vacations) are specified in contracts between workers and employers. Over the past few decades, the cost of those employee benefits (including the costs of legally required payments; pension, insurance, and other agreed-upon payments; and payment for time not worked such as holidays and vacations) has been increasing rapidly as a percentage of total employee compensation. The U.S. Chamber of Commerce estimates that 50 years ago, in 1929—when the only legally required payments were workers' compensation and government employees' retirement—total benefits for workers amounted to only 3 percent of total payroll costs. By 1978, they had increased more than tenfold to 31.7 percent of the amount paid for wages and salaries.[14]

As long as productivity increases continue, there is no reason to consider such expanding employee entitlements a problem. But one reason many American manufacturers have not remained competitive in international markets is that the ratio of output/labor cost has declined relative to that of our foreign competitors. In short, the compensation of workers is rising faster than the output of goods and services.

In their attempts to determine why American productivity has fallen off, analysts such as Daniel Yankelovich have pointed to the changing values of a new generation of workers and to the problems of worker motivation in an era when programs such as Social Security insurance and unemployment compensation buffer the effects of unemployment.[15] In a series of surveys, Yankelovich found distinct differences in attitudes toward work between the baby-boom generation, which grew up during an era of affluence, and their parents, whose values were shaped by the economic insecurities of the 1930s. As Yankelovich writes:

> The essence of the change is that in the past people were motivated mainly by earning more money, adding to possessions, gaining economic security. [But, starting in the late 1960s and] increasingly throughout the 1970s, new self-fulfillment motives have gained in importance. Moreover, the traditional material incentives and the new self-fulfillment ones have moved in somewhat different directions. People still want material rewards but they no longer feel that it is necessary to give so much of themselves to achieve them. They see their self-fulfillment as something different from material success, and of equal or greater value. So they want self-fulfillment in addition to financial security. To oversimplify a little, people want more, but also are willing to give less for it. . . .[16]

Yankelovich found that many members of the younger generation have rejected a "nose to the grindstone" attitude—and the hard work and unquestioned loyalty to employers that went with it. They consider that to be too high a price to pay for material success. Raised in unprecedented affluence, they have come to feel entitled to things that earlier generations considered privileges or rewards to strive for.

Other factors also contribute to declining productivity, but changing values, such as the ones that Yankelovich describes, undoubtedly contribute to the declining ratio of output to labor cost. Those changing values are particularly pertinent because service workers make up a growing percentage of the total labor force. In that sector, ours is a labor intensive economy in which worker attitudes are a crucially important factor in productivity.

As indicated by several studies conducted in this country and abroad, expanding employee entitlements appear to be associated with *reduced* employee loyalty, commitment, and discipline. As a National Planning Association study found, rather than increasing employee commitment, generous entitlement packages appear to be associated with increased absenteeism, thus adversely affecting productivity.[17]

The dilemma for the private sector, then, is that while entitlements have become an increasingly large part of the cost of employee compensation, they are not distributed as rewards for performance and thus do not serve as incentives to higher productivity.

To respond to the problem of worker motivation during a period when there may be insufficient growth in certain sectors of the economy to support the increased compensation to which workers have grown accustomed, it is crucial that innovations in the workplace be made. It is particularly important that workers' entitlements be tied more closely to productivity.

> **Accordingly, this Panel recommends that both the private sector and the federal government devote increased resources to the identification and implementation of innovations that enhance the quality of working life as well as the productivity of workers.**

Experiments in the workplace have shown that such innovations as employee-defined benefit packages or greater involvement of workers in decisions affecting the work process tend to result both in enhanced worker satisfaction and in heightened productivity. We join with the Economy Panel of this Commission in recommending a greater stress on quality-of-work-life programs as a way of heightening productivity while respecting the dignity of workers.

Entitlements in the Public Sector

In the public sector, the entitlement problem is somewhat more complex. There, too, entitlement programs have expanded dramatically over the past half century, with particularly rapid growth in recent decades. The enactment of Social Security in 1935 was the first move by Congress to establish a system of federal benefits for individuals; it remains by far the largest of the federal entitlements. In 1956, the Social Security program was expanded to include disability insurance. Then, in the 1960s, an assortment of new programs were added that were designed to remedy inequality and the effects of poverty (such as Medicaid and Medicare) and to provide a comprehensive program of social insurance (through an expanded unemployment insurance program, public employees' retirement, veterans' disability, military retirement, and workmen's compensation programs). The proliferation of social welfare programs that has taken place since the early 1960s constitutes a major redefinition of the government role in providing for the needs of individuals. In the early years of the Kennedy administration, there were about 200 such programs; today, there are more than 1,100, and they affect virtually every aspect of social life.[18]

The growth in such public sector expenditures, as shown both in absolute figures and as a percentage of GNP, reflects an increasing commitment to meet a wide range of social needs for the great majority of Americans. (The percentage of American workers covered by public retirement programs, for example, more than doubled in the postwar generation—from 40 percent of all paid civilian workers in 1950 to 86 percent in 1976.)[19] In the decade between the mid-1960s and the mid-1970s, the federal contribution to social welfare increased by 600 percent. Over the past two decades, such expenditures have grown substantially as a percentage of GNP.[20]

As recent experience has shown, there are two reasons why it is so difficult to contain the costs of entitlement programs. First, even more so than other programs, their actual costs far exceed the expenses their sponsors envision. This was true, for example, of one of the early entitlement programs, the disability insurance provision added to Social Security in 1956. Its sponsors predicted that by 1980 it would distribute $860 million in benefits to 1 million workers; in fact, about 5 million workers will receive disability insurance this year at a cost of $17 billion.[21] The costs of other entitlement programs, such as Medicare, Medicaid, and the food stamp program, have also run far beyond projections.

A second reason is that many entitlement programs are indexed to rise automatically with increases in the cost of living. Social Security, which was indexed to the consumer price index in 1972, was the first major program designed to compensate for inflation. Since then, various programs, including supplemental security income, childhood nutrition, and programs for veterans and retirees, have also been indexed. Those automatic increases, combined with the growth of the elderly population eligible for Social Security payments—which jumped from 17 million in 1970 to 23 million in 1980—mean that the portion of the federal budget designated for entitlement programs will continue to grow. Major problems can be anticipated in the decades ahead when the baby boom retires and the size of the work force is relatively smaller.

All of these factors raise the question of how such entitlement programs will be paid for. During the 1960s, when so many of the programs were created, Congress assumed that their costs would be absorbed by the budgetary surpluses created by steady economic growth. The rule of thumb is that for every $5 in growth in the nation's output, the government gets about $1 in revenues; thus, in a trillion-dollar economy, even a 1 percent increase in the nation's growth rate implies a net addition of many billions of dollars in government revenues. But slower growth and rapid inflation combine to create a substantial problem: Unless offset by higher taxes, a slower growth rate means that government revenues do not increase as rapidly as they did. Rapid inflation means that the cost of entitlement programs that are indexed to the Consumer Price Index is much higher than anyone anticipated. According to the Congressional Budget Office, at current rates of inflation, direct indexing of entitlement programs will cost the government about $23 billion in fiscal 1981.[22]

The cost of federal entitlement programs, estimated at nearly $290 billion for fiscal 1981, amounts to almost half of the $614 billion budget approved by Congress in June.[23] The growth of entitlement programs is the most important reason for the steady climb in the share of the federal budget characterized by the Office of Management and Budget as "relatively uncontrollable." None of the outlays for entitlements can be avoided without changing the authorizing laws.

Consequences of Rising Entitlements

What does this "revolution of rising entitlements" mean? What kinds of dilemmas does it pose? Few people would question the contribution that those entitlement programs have made to the quality of life of millions of Americans for whom they provide some relief from the age-old worries about poverty, ill health, and financial security in retirement. But what has become clear only in recent years is that the costs of those entitlements are increasing faster than our ability to pay for them. That situation is made worse by the fact that those entitlement programs seem to contribute to the problems of declining productivity and rising inflation, thus preventing a return to rapid growth that would allow us to pay for their increasing costs.

To summarize, there are at least four problems associated with the expansion of entitlements:

First, because entitlements come without direct charge to individuals, people tend not to "economize" in their use, which helps to explain why their costs have tended to run out of control.

Second, they appear to have contributed to the problem of lower productivity in several ways. As we noted in discussing the private sector, since entitlements are not distributed as rewards for performance, they do not serve as incentives to higher productivity. It also appears that by providing a cushion against indigence, some entitlement programs may keep workers out of the labor force. One analyst notes, for example, that between 1972 and 1977 the number of individuals receiving disability payments increased by 45 percent, to 2.8 million.[24] He suggests that more workers with minor impairments may be choosing to receive disability payments rather than to test the labor market. In addition, the entitlement programs designed to provide social insurance and retirement benefits may have contributed indirectly to the problem of capital formation by reducing the motivation to save.

Third, the indexing of government entitlement programs, which cushions the effects of inflation for those dependent upon transfer payments, is in itself inflationary. In most cases where an attempt has been made to cut down on their inflationary effect by reducing entitlements, the political pressures not to cut back have prevailed. In 1978, for example, when the administration proposed to reduce social security benefits by $600 million, a coalition of groups representing the elderly objected so strenuously that Congress never seriously considered the proposal. As a practical matter, there would be no way of reducing the inflationary effects of indexed entitlement programs without impinging on the welfare of some group or making the politically unpopular decision to reduce inflation by legislating across-the-board decreases in entitlements. Since the political pressures to respond to various interest groups by adding programs in the federal budget far outweigh pressures for a balanced budget, the government has consistently run on deficit budgets, which contribute to inflation. Thus, in response to the appeals of a multitude of special interest groups that want the government to attend to their needs (or at least not to cut back their programs), deficit budgets are proposed which impose an indirect "tax" in the form of inflation. The consequences of continued high inflation are all too clear.

Finally, and most basically, the problem is that entitlements are expected and demanded regardless of productive capabilities which determine the ability to afford them. A highly productive company or a highly productive nation can afford a high level of entitlements, while less productive companies and countries cannot. As we noted, many of the existing entitlement programs were designed in a period of more rapid growth. But slower growth has called into question the continued ability to pay for those growing entitlements.

There is, in brief, a mismatch between demands and resources that gives rise to incompatible expectations. Workers feel entitled to some of the newer fringe benefits, as well as a shorter work week, without feeling a sense of responsibility to increase productivity. Incompatible demands are also made of the government: On the one hand, people feel that the government owes them certain benefits; on the other, there are pressures for lower taxes and less federal spending, even though almost half of the budget is already committed to "uncontrollables" in the form of federal commitments to entitlement programs.

The entitlements programs provide a clear example of a mismatch between expectations and resources that has been exacerbated by slow growth. They also illustrate a tradeoff that has taken place between the goals of economic growth and quality of life. Theoretically, this nation might return in the 1980s to a condition of vigorous economic growth, but in all likelihood that goal could only be achieved at the cost of cutting back on various programs that have made an important contribution to quality of life. The question is whether the nation should prepare to make the sacrifices that would be required to achieve more rapid growth or, alternatively, whether it is prepared to accept the various implications of slower growth and adjust its expectations accordingly. In either case, one of the continuing problems for the nation's leaders in the 1980s will be to cope with the tensions between expectations nurtured in an era of rapid growth and the realities of a period that is experiencing both physical and social limits to growth.

Slower Growth, Harder Choices

Thus, our current dilemma arises from the fact that after a generation in which the "American Dream" of progressive improvement in our standard of living was fulfilled for most Americans, this nation has entered into a new era of slower growth. Indeed, since the first quarter of 1979, the average American family has not experienced any increase in its real income. If that situation does not improve, feelings of well-being—which begin with a sense of economic security—will deteriorate. Economic growth is an indispensable ingredient in meeting a wide range of social goals. Accordingly, it is important for this nation to take the necessary measures—ones that have been examined in greater detail by the Economics Panel of this Commission—to heighten both the productivity rate and, in turn, the economic growth rate.

But we also noted that the very emphasis this society now places on quality of life—in our individual motives and values as well as our collective decisions—has contributed to the slower growth rates of recent years, thus posing an obstacle to returning to more rapid growth.

This, then, is the tradeoff we face as we define a national agenda for the 1980s: Two highly desirable goals—rapid economic growth and a society that offers a high quality of life—are, at least in the short run, somewhat incompatible. It may well be, as Etzioni suggests, that our choice is between a high priority commitment to increasing productivity over at least the next few years (at the cost of relatively modest expenditures for programs that contribute directly to quality of life) and a priority commitment to quality-of-life programs (at the cost of a continued sluggish economy that does not produce enough growth to yield increases in real income to most Americans).

Accordingly, the questions that the nation's leaders will have to address are basic ones: What combination of these two goals can be realistically achieved? If we make a clear commitment to higher growth, what other projects and programs may have to be temporarily deferred? How can such tradeoffs be addressed and discussed so that the American public feels not only that it is informed about the choices we face, but also that it has a voice in making that choice?

Whatever growth rate is affirmed as an optimal and realistic goal for the nation in the 1980s, it must be one that acknowledges the values, attitudes, and priorities of the American people. It is not necessarily true that a growth rate of, say, 2.8 percent means that the average American has any less of a sense of well-being than if the growth rate were 3.5 percent. For it is important to remember that there have been certain benefits from the type of growth this nation has experienced in recent years: In a mature industrial society, quality of life implies not only the availability of certain material goods but also a variety of less tangible "goods"—such as job satisfaction, more leisure hours, or a clean and safe environment. In a society where a greater stress is placed on those intangibles, growth will necessarily be somewhat slower by traditional measures.

So while it is important, we believe, to strive for an economic growth rate higher than the one this nation has achieved recently, it would be a serious mistake to sacrifice many of the intangibles that contribute to a sense of well-being in order to attempt to regain the rapid growth this nation enjoyed in the 1950s and 1960s. An economic system is, after all, a means of meeting the needs of the members of a society; those needs are real, even if their satisfaction is not reflected accurately in our measures of economic progress.

It may be, as Daniel Yankelovich writes, that we are "moving toward a new national emphasis which downgrades growth, consumption, and steady improvement in material well-being; and elevates the importance of holding onto past gains, avoiding waste, minimizing risk, and finding greater satisfaction in activities that do not depend so heavily on acquisition."[25] If that is true, many Americans may be content with a stable economy that yields relatively little growth. New values may indeed be leading to a substantial redefinition of the "American Dream," one that does not so consistently assume that more is necessarily better.

For the time being, however, it is clear that most Americans do not yet fully comprehend how different the realities of the 1980s are from those of the 1950s and 1960s. Consequently, they are not convinced that basic choices are necessary. Because it is politically unpopular to talk of tradeoffs that may impose certain sacrifices, the alternatives we face as a nation are not often clearly stated. Particularly in a period of relative austerity, new vehicles must be created to inform the American public about those choices and to stimulate debate about those alternatives.

Accordingly, we propose that a major series of television programs be produced under the auspices of a nationally respected and impartial institution, devoted to a broad discussion of the nation's critical choices for the 1980s.

We envision a series of programs along these lines:

☐ Each of the programs should be devoted to a major public policy choice, such as the question of how to regain more vigorous economic growth without sacrificing much of what contributes to a sense of personal well-being. Other topics might include our energy options, immigration policy, or an analysis of national alternatives in providing for the needs of the elderly in the face of shifting demographic patterns.

☐ All of the tools of electronic broadcasting, such as computerized graphics that are effective in portraying developing trends, should be used to present a vivid, comprehensive, and impartial view of the current situation and realistic options for national policy.

☐ This series should be presented at regular intervals on network television, as part of its obligation to present programming in the public interest. Its funding sources should be varied, so as to avoid the suspicion of bias. Its moderator should be an experienced and nationally respected commentator.

☐ In format, this series should consist of a significant departure from most documentaries on public issues. What is needed is a serious portrayal of the complexity of public policy decisions, showing their far-reaching implications and consequences, and assessing their costs and potential benefits. It would be essential to distinguish between undisputed and disputed facts, and to distinguish between facts and values. Within this format, it would be important to portray the differing perspectives of various political parties and interest groups, and to outline their likely impact for people of different ages, in various geographic areas, in different economic and social strata, and the like.

☐ Like the "Great Decisions" series sponsored by the Foreign Policy Association, the goal of this series should be to provide a framework for discussion, a point of departure. Toward that end, these programs should be used as resources in a network of study and discussion groups in schools and community groups.

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Chapter 5

Helping Families
TO HELP THEMSELVES

> There isn't a human relation, whether of parent and child, husband and wife, worker and employer, that doesn't move in a strange situation. . . . There are no precedents to guide us, no wisdom that wasn't meant for a simpler age. We have changed our environment more quickly than we know how to change ourselves.
>
> —Walter Lippmann

Several months ago, the Gallup Organization conducted a survey for the White House Conference on Families. Since so much of what has been written about families in recent years gives the impression of a breakdown in marriage and family life, that study provides a useful corrective and a reminder that for millions of Americans, family life stands out as the greatest single source of satisfaction. A majority regard family life as the most important part of their lives. Nine out of 10 Americans say they are very satisfied or mostly satisfied with this aspect of their lives. As George Gallup comments in his introduction to the study: "Any belief that Americans do not place top priority on the family and family life is completely refuted by the results of this survey. The findings represent a ringing endorsement of the importance of the family in American life."[1]

But, at the same time, that study reflects a widespread feeling of apprehensiveness about what is happening to the family. Nearly half of the people questioned felt that family life has gotten worse over the past 15 years. There is particular concern about how to bring up children. Roughly a third of all mothers of young children, and a somewhat higher percentage of working mothers, worry about the job they are doing as parents.[2] They are uncertain about how to bring up their children and unclear about a proper balance between firmness and permissiveness. They often feel they are neglecting their children, but they also sometimes resent the demands of childrearing.

Considering how rapid and pervasive the changes in family life have been, a certain apprehensiveness about what is happening to the American family is understandable. Attitudes and values about such matters as sexual expression and sex roles, family size, and the permanency of the marital bond have undergone a rapid transformation—and those changes introduce new ambiguities and stresses in family life. Family-related topics that were rarely mentioned a generation ago—such as spouse-beating, child abuse and parent abuse, illegitimacy, abortion, and homosexuality—are now not only widely discussed but also prominent items on the public agenda. The timing of our lives has changed, allowing new stages in the life cycle that include a longer "single stage" for young adults and more years of active life after retirement. Over the past few decades, both the size and structure of American households have been radically altered; there has been rapid growth in the number of single-person households. Perhaps the most fundamental change results from the fact that so many American women now enter the labor force at a relatively early age and stay there throughout most of their lives—thus adding a new role to their traditional responsibilities as the primary caretakers of children as well as of elderly dependents. Far from indicating the "breakdown" or the "death" of the family, as some commentators have claimed, these changes indicate its strength and resilience in responding to a host of outside forces and influences, including changes in the economy and the labor force.

The anxieties that many people feel about the job they are doing as parents, and their fears about the future of the family, reflect profound changes. Americans have not had an easy time comprehending those changes or responding to them, partly because of outmoded notions about what families are and how they provide care for children and the dependent elderly. Our first step toward specifying what needs to be done in this area is, therefore, to recognize how different American families and households are today from what they were a generation ago.

Family Diversity in the 1980s

A generation ago, in the 1950s, there appeared to be little reason for public concern about marriage and family. America at that time was a marriage-oriented society in which domesticity was emphasized and the migration to the suburbs—which promised a better environment for childrearing—accelerated. Young people got married at an earlier age than ever before. The decision of so many of those couples to have relatively large families led to a phenomenon that demographers called the "baby boom," and that in turn led to a preoccupation with youth. The general impression was that most Americans lived in families that consisted of a working father and a mother who stayed at home to devote her full attention to their children. Sex roles were not yet a matter of controversy, and a relatively low divorce rate seemed to confirm the impression that the existing institutional arrangements were still sound.

That impression of the "typical" family was somewhat misleading, for actual families—particularly those that were not middle-class—were much more diverse. Still, that impression reflected the reality in several respects: It was a marriage-oriented society, in the sense that relatively few children were raised by only one adult. The full-time housewife and mother was the norm, at least in middle-class households. The orientation toward youth was a reflection of demographic reality. And among people of all ages, relatively few lived by themselves.

There are four basic ways in which American families and households are different now from what they were in the 1950s:

☐ There has been a substantial rise in the number of single-person households.
☐ The elderly comprise a growing percentage of the total population.
☐ There has been a significant increase in the number of single-parent families.
☐ There has been a dramatic rise in the percentage of married women who work in the labor force.

We will examine the combined impact of those trends, for they create substantially new patterns of dependency and have a fundamental impact on the ability of women to carry out their traditional roles as primary caretakers of children and the dependent elderly.

Several factors contribute to the rise of the single-person household: More young adults are postponing marriage; a larger number of elderly widows and widowers live alone; and there has been a rapid increase in the number of people who are divorced but not remarried. As of March 1979, more than one out of every five American households consisted of just one person; there was a 59-percent increase in the number of single-person households between 1970 and 1979.[3] Although many of these individuals still depend upon their families—who often live nearby—for various forms of assistance and care, the rise of the single-person household means that people are looking for alternative sources for those services, such as food preparation and health care, that have traditionally been provided by families.

The second of these trends—the aging of the American population—has a variety of implications for dependency patterns in the 1980s and beyond. Because of the decline in the fertility rate since the 1960s, combined with longer life expectancy, the elderly population is growing at a rate significantly faster than the population as a whole. Though the most dramatic shifts in the percentage of persons who are 65 or older will not take place for another 30 or 40 years, when the baby boom generation begins to retire, there has been a consistent and significant increase in the percentage of the American population in this age category. In 1930, only about 5.4 percent of the population was 65 or older; by 1960, that population accounted for 9.2 percent; by 1990, it is projected to be about 12.7 percent.[4] This year—1980—marks the first time that the number of Americans over 60 is larger than the number of children who are 10 or younger. The tipping of the age structure which that shift implies is highly significant: Just as the nation's attention was focused on the young in the 1950s when their numbers were increasing so rapidly, now it is shifting to the elderly as their numbers increase.

With regard to the dependency patterns of the 1980s, there are two main implications. The first is the sizeable increases in the 75-and-older category. Compared to their younger counterparts in the 65-74 age category, this group is far more likely to be dependent and to require a variety of services, including full-time institutional care.

The second implication has an immediate relevance in the 1980s. Because women typically marry men who are several years older, because their life expectancy is roughly 7 years longer than that of men, and because they are less likely to remarry after the death of their spouse than men are, the problems of the very old are increasingly the problems of women. There is an additional factor that complicates the lives of many elderly widows now in their seventies: Many find they have no relatives to take care of them because their low fertility rate in the 1920s and 1930s left them with few surviving children.

The third and fourth of those trends that have transformed the structure of so many American families—the rise of the single-parent family and the entry of increasing numbers of married women into the labor force—are closely related.

Largely as a consequence of higher divorce rates, the single-parent family—which in 9 out of 10 cases means a female-headed family—has become far more common than it was in the 1950s. As of March 1979, one in every seven families, a total of 8.5 million families, was headed by a woman. There are about 3 million more such families now than there were in 1970.[5] While female-headed households have become more common among all groups in American society, their numbers have increased most rapidly among Hispanics and blacks. Today, nearly half of the nation's black children under 18 live with only one parent.[6]

There is no conclusive evidence that the absence of a father, in itself, is critical in affecting the behavior or adjustment of the children. However, single-parent families often have two problems that are beyond dispute: The first is that the children are deprived of the attention of the remaining parent because he or she is overburdened by having to carry both the childrearing and the wage-earning responsibilities. The second problem is poverty. (See Figure 3.) As a group, single-parent women earn low wages and have difficulty supporting themselves and their families. One-parent families are six times more likely to live in poverty than two-parent families.[7] Many of the mothers who head such households confront a painful dilemma: In order to earn the wages that their families depend upon, they are often forced to resort to less-than-satisfactory child care arrangements.

The last of these four trends—the rising number of married women in the labor force—also has pervasive consequences for the care of the nation's dependent population, both young and old. Prodded by inflation as well as their own educational experience and aided by a boom in white-collar jobs, married women have been entering the labor force in increasing numbers over the past generation. In March 1979, three out of five husband-wife families reported that at least two family members had been in the labor force in the previous year. Today, for the first time in our history, a majority of American women work outside the home.[8] The school-age child whose mother works is now the rule, not the exception. Compared to her counterpart in the 1950s, she is less likely to work in a job—such as teaching—where her work hours are compatible with the task of caring for school-age children. She is also more likely to return to the labor force soon after the birth of a child. Indeed, the most striking increase in labor force participation has been among mothers with children younger than 6. In 1950, only about 11 percent of the mothers with such young children worked outside the home; today, over 45 percent are in the labor force. Of all the children between the ages of 3 and 5, more than half have mothers in the labor force.[9] (See Figure 4.)

Why have so many wives and mothers entered the labor force? While other influences play a part, the overriding reason for that trend is one that is beyond the control of individuals: Most of the working women in this country are in the labor force because the earning power of the wife makes an important contribution to the family's well-being. In some families, the wife's income allows the family to enjoy a few more amenities or to send their children to college. But in an increasing number of families, the wife *has* to work in order to maintain the family's standard of living in the face of strong inflationary pressures—

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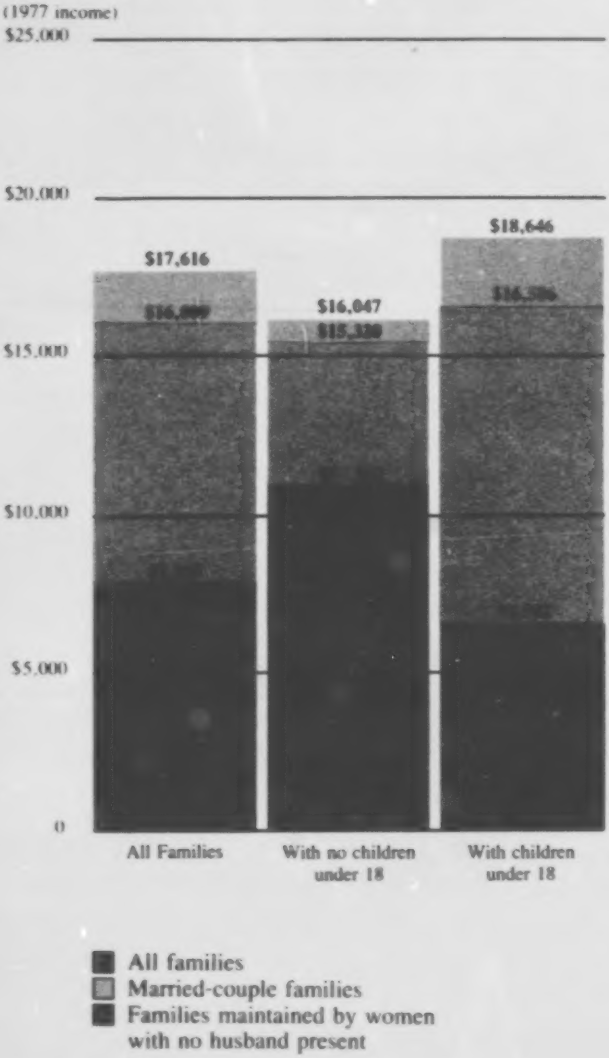
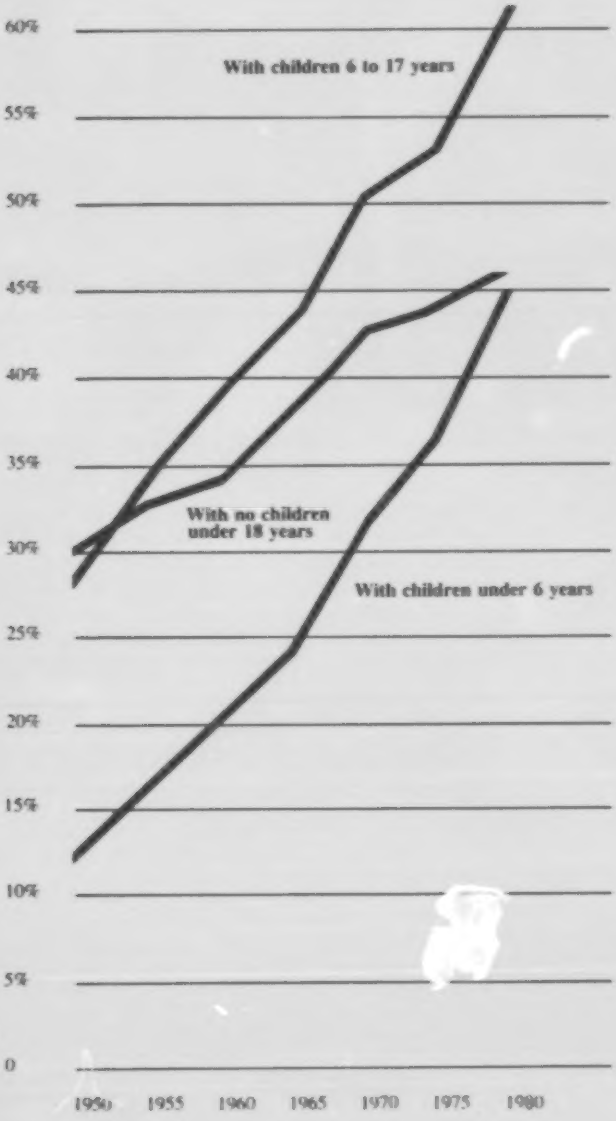
Figure 3
Median Family Income, by Presence of Children and Type of Family: 1978



Source: U.S. Bureau of the Census

Figure 4
Mothers in the Labor Force, in Families with Husband Present (by Presence and Age of Own Children, 1950-1980)



Source: U.S. Bureau of Labor Statistics

pressures that were not a factor a generation earlier.

Together, these four trends have transformed American families and households. They create new patterns of dependency and affect our patterns of caring for young and old alike. Because of factors such as the increase in the number of elderly dependents, the need for care is greater than ever. But, due to their increasing participation in the labor force, women have less time and energy to carry out their traditional roles as primary caretakers of children and the elderly. Although the entry of women into the labor force has clearly improved the quality of life for millions of American families, it has also raised new concerns about where, how well, and by whom the children of working mothers are cared for.

It should also raise concern about how well dependent older people are being cared for. To an extent not widely recognized, it is still the family—not nursing homes or other facilities—that provides most of the personal care that the dependent elderly require. Contrary to the persistent misconception that ours is a society in which most of the dependent elderly are institutionalized, institutionalization is, in fact, regarded by most families as the alternative of last resort. As Elaine Brody, director of human services at the Philadelphia Geriatric Center, writes:

> Professionals and personnel of service organizations who constitute the formal support system easily fall under the illusion that they are the principal providers of services to older people. In focusing on our own activities, we fail to credit the families of the elderly, whose services dwarf those of the formal system in providing the vast majority of health and social services. . . . Most impaired older people who receive care at home receive it from a household member, and most receive it for long periods of time. Family members give 80 percent of the medically related and personal care to the chronically limited elderly. Family members are also the ones who, when needed, are depended upon to negotiate with the health system, to maintain the households of impaired old people, shop and cook and provide emotional support.[10]

The family member upon whom that responsibility typically falls is the adult daughter or daughter-in-law. Research shows that impaired older persons depend most on their spouses and the females in the next generation.[11] Those women—the principal caregivers to the elderly as well as the young—are subjected to the competing demands of their roles as parents, spouses, and filial caregivers. As they enter the labor force in increasing numbers, they face stresses created by that additional role.

As a society, we are faced with new realities that affect family life in various ways and create new stresses. As a consequence of having their resources—of time and energy, as well as finances—stretched to the limit, families are experiencing symptoms of stress. At the same time, there are new tensions between the family and the various institutions it depends upon, as well as a widening gap between personal needs and the services available to meet them.

We must recognize that American families—which were never as self-sufficient as many people assume they were in the past—are extraordinarily dependent on outside support of various kinds. This is true of families of all types, from the entire range of socioeconomic circumstances. Families can continue to perform their traditional role as primary caretakers of the young and the dependent elderly only if that outside support is available. We disagree with those who proclaim themselves "pro-family" and then seek to minimize or deny family back-up services in the name of "keeping the family intact." Back-up services are sorely needed, both to supplement the family's ability to do what it has always done willingly and to substitute for family care when it is lacking. Indeed, the lack of such services can cause family breakdown when stresses are intolerable.

We propose something quite different from the kind of rhetorical commitment that is expressed in statements about children as "our most precious natural resource." Evidence of continued neglect indicates that at many levels in this society, the rhetoric has not been translated into a serious public commitment. A society that takes the phrase "quality of life" seriously must make a serious commitment to ensure high quality care for its dependents—both young and old—who cannot adequately care for themselves.

Caring for the Nation's Children in the 1980s

This nation's professed belief in the importance of family and the welfare of children has not been translated into action. Although the sanctity of the family is a topic frequently invoked in public statements, the real needs of millions of children go unmet.

☐ **This nation has no comprehensive system to guarantee adequate health care to families,** as Canada and many European nations do. Almost one in three children, or 18 million, have never been to a dentist. And one in seven children has no regular source of health care.[12]

☐ **As a result of widespread housing discrimination against families with children, many children are raised in inadequate, overcrowded, and unsanitary**

dwellings. Housing costs are increasing at a faster rate than median family income, and there are severe shortages of adequate rental units in many cities. Families with children experience the most severe problems, for in many cities the majority of units in newly constructed buildings are for adults only.[13] This scarcity of family housing has a disproportionate impact on minority families and families headed by women.

☐ **Many needy families lack adequate resources to bear the financial burden of childrearing.** In this country, one child in six—more than 10 million children—lives in poverty, making children the poorest group in America. Over half of the children in families headed by a woman lived in poverty in 1978. The consequences of that poverty are great: Children from poor families are far more likely to die in the first year of life and are about four times more likely to be in fair to poor health compared to middle-class children.[14]

☐ **The nation has been slow to improve the conditions of minority parents and their children.** Fifteen years after the Civil Rights Act of 1964, black families and other minorities still suffer relative to white families. In 1978, one in four Hispanic children and two in five black children lived in poverty. This results in part from the fact that a far higher percentage of minority households are headed by women. Among single-parent households headed by a black woman, the current welfare rate is a devastating 50 percent.[15]

☐ **Some programs, such as Head Start, which are intended for the nation's neediest children, are not available to many of those for whom they were designed.** Head Start, the most comprehensive program serving preschoolers, reaches only about 20 percent of our neediest children. About 1.5 million eligible children and more than 1,000 counties (one out of every three counties in the United States) have no Head Start programs at all.[16]

☐ **This nation has a serious shortage of quality child care facilities to help parents who work.** The current child-care system is a patchwork consisting of private arrangements (with friends, neighbors, or babysitters), licensed child care centers and family day care homes, and preprimary school programs. While many families are well served by the existing system, in many communities there is a serious shortage of child care alternatives. No comprehensive inventory of existing facilities exists, but there is evidence that the demand for high quality child

> care facilities far exceeds the supply. As Senator Alan Cranston, who chairs the Subcommittee on Child and Human Development, commented after hearings in 1978: "The strongest theme to emerge was the need for more child care programs. Witness after witness told of the difficulties that parents face in trying to find good child care that they can afford, of long waiting lists for all types of child care programs, and of the lack of funds to start new programs or to expand existing ones."[17] In the absence of suitable alternatives, millions of parents resort to inadequate child care arrangements.

Although we have moved into a new era regarding women's employment patterns, we have not yet fully recognized how much that changes caring patterns, nor have we responded with a new set of institutional arrangements. In the 1950s, considerable emphasis was placed on domesticity and full-time motherhood, an ideal that was not the actual situation in many households. Nonetheless, it was a very influential ideal: Childrearing experts warned parents of the hazards of "maternal deprivation," and asserted "the absolute need of infants and toddlers for the continuous care of their mothers."[18] In the generation since, the idea of "maternal deprivation" has been seriously questioned and evidence from social scientists suggests that the absence of the mother during the day does not necessarily jeopardize the well-being of her children if they receive consistent and loving care in her absence.[19] But the fact that that ideal was so widely held when many of today's parents were growing up has undoubtedly contributed to current feelings of guilt and parental inadequacy. Much of the opposition to publicly subsidized child care has been fueled by the belief that was so widely held a generation ago: that even part-time care provided by *anyone* other than the mother might be harmful to children and destructive of family values.

It is time to recognize that, far from serving the best interests of children, that belief has kept this nation from responding to real needs and new realities. Now that a majority of children have mothers in the labor force, this nation must confront the question of how families can successfully manage the dual tasks of wage earning and childrearing when both spouses are in the labor force. We must re-examine social responsibility for supporting parents as the primary providers of care. That discussion has to begin with the question of providing more adequate child care arrangements, but it also must include a much broader set of issues, including income support for needy families, modification of work hours, and ways in which the schools should respond to new needs. Ways must be found to ensure the well-being of children while respecting the integrity of the family.

Three principles give direction to the nation's efforts to help parents in their role as primary caregivers to children:

First, our objective should be to broaden the range of child care alternatives from which parents can choose. Parents know what is best for their children, but they are often constrained by having few choices in meeting those needs. In the choice of child care facilities, for example, there should be various alternatives in the community, ranging from competent babysitters to quality child care centers. Some parents prefer facilities near their residence; others near their place of work. Different families want different types of program emphasis, ranging from those stressing readiness for school to those emphasizing social skills and interaction. We feel that tax credits for the expenses of child care help to provide more parental flexibility, although the existing tax-credit formula benefits mainly middle- and upper-income families. In 1978, for example, more than three-quarters of the benefits from this provision went to families with incomes above $15,000.[20]

Second, quality care should be available to all children, regardless of the economic means of their parents. The chief reason why so many parents cannot provide satisfactory child care for their children is that they have insufficient financial resources to pay for quality arrangements. Indeed, even middle-class families often face this dilemma. As a rough estimate, most middle-income families can afford to pay no more than about 10 percent of their gross earnings for child care. By this formula, a family with an income of $20,000—slightly higher than the current median income of $19,000—could afford no more than $2,000 for the care of its children. Today, child care typically costs more than that for just one child. (Day care at a rate of $1 per hour provided year-round for children whose parents work 8 hours a day costs about $2,300 per year.)

Many families at lower income levels are priced out of the market; it is to this reality that public policy must respond. However, what most working parents in this country want today is *not* free government-run child care centers for all, regardless of income. They want to pay what they can afford, and they want to select the type and location of child care facilities. Surveys indicate strong support for a partial government subsidy, on a sliding fee scale based upon income.[21]

In recent years, the involvement of the federal government in child care services for the poor has grown. By

1977—the most recent year for which statistics are available—the government was spending $2.5 billion yearly for such services. This included funding for Head Start; Title XX of the Social Security Act (which provides federal support for children in low- and moderate-income families who use child care centers and day care homes and is the largest program of direct government subsidy for child care services); Title I of the Elementary and Secondary Education Act (which funds compensatory preschool for disadvantaged children living in or near poverty areas); the Work Incentive Program (which trains and places welfare recipients and mandates the provision of child care to children of families in the program); and child care tax credits available for work-related child care expenses.[22]

> **Accordingly, in order to make quality child care alternatives available to families in every income category, this Panel recommends that federal support for a broad range of child care alternatives for low-income families be expanded, particularly those provided through Title XX of the Social Security Act; the child care tax credit be expanded to provide more assistance to working parents; and funding for Head Start be increased so that its programs can reach a more substantial proportion of its target population. Furthermore, P.L. 94-142 preschool programs for the handicapped should be expanded to serve the needs of an estimated half-million handicapped preschool children not currently reached by this program and to help reduce the need for more expensive intervention later on.**

Third, far more resources should be devoted to prevention rather than repair. Many of the programs and services designed to meet the needs of children are intended to respond to crises that have already happened. We do not recommend that such programs be abandoned, for they provide help that is sorely needed. But we do believe that resources might be better used if they were oriented to prevention rather than repair. A particularly pressing need for preventive services exists in three areas:

The first is the provision of preventive medical services. There is great concern about escalating medical and hospital costs, yet relatively few resources are invested in preventive care. In 1978, for example, only two-thirds of the nation's children between the age of 1 and 4 were immunized against diphtheria and tetanus; only 61 percent were immunized against polio, 63 percent against measles, 62 percent against rubella, and 51 percent against mumps.[23] Some public programs deny preventive care, even when there is compelling evidence of its importance.

For example, in 21 states Medicaid programs currently deny prenatal care for first-time mothers, even though mothers who receive no prenatal care are three times more likely to give birth to infants with low birth weights, a condition associated with almost half of all infant deaths and with birth defects.[24]

The second pertains to the problem of "latchkey" children. In the absence of after-school facilities, an estimated 2 million latchkey children between the ages of 7 and 13 come home to an empty house. "It seems more than coincidental," as the members of the President's Commission on Mental Health remarked several years ago, "that the rise in the number of latchkey children has been accompanied by an increase in school vandalism, adolescent alcoholism, and juvenile participation in serious crime."[25] With a relatively small investment in after-school programs, these children can be provided the supervision and direction needed in the hours before their parents return home from work. As a result, the costs resulting from vandalism and juvenile crime—including the lowered self-esteem of youths who engage in such activities and are consequently arrested—may be greatly reduced. The entire society, as well as these youths and their parents, will benefit in the long run. The nation's public schools might well serve as after-school facilities.

Another area in which preventive services might make an enormous difference is in the prevention of teenage pregnancy. In each of the past few years, about 1.3 million girls between the ages of 10 and 19 became pregnant; about 550,000 of them gave birth.[26] While some of those births are intended, many are neither planned nor desired. They lead to a tangle of problems, both for the girls who get pregnant and for society. Teenage mothers and their children commonly face a situation of double jeopardy: The girls are far more likely to be unwed compared to older women who give birth, and children born to unwed mothers of any age tend to be raised in circumstances of economic need and eventually to become dependent upon state support. Because teenage girls are physically less mature and often do not seek or receive adequate prenatal care, teenagers who bear children face a greater risk both to their own health and to that of their babies. In addition, the teenage mother who is unmarried has to manage not only social disapproval, but also the task of caring for and financially providing for her child—and, in order to do so, she is typically forced to leave school and to forgo further job training and other opportunities for economic advancement.

The human costs of teenage pregnancies and births—the heartbreak, family stress, and blighted hope—cannot be measured. The costs to taxpayers are staggering:

A recent study concludes that the public health and welfare costs that will be required over a 20-year period as a consequence of the 550,000 births to teenagers each year amount to no less than $8 billion.[27] As the Select Committee on Population of the U.S. House of Representatives said: "There is perhaps no more serious health and welfare problem confronting the United States today than the high rate of adolescent pregnancy."

This problem permits no easy solutions, but it certainly provides a vivid example of the need to invest in children when it matters most—*before* they encounter problems.

> **Accordingly, this Panel joins the large majority of participants in the recent White House Conference on Families who supported sex education with parental consent, as part of a broader emphasis on family life education.[28]**

Since today's teenagers are starting their sexual experience at an earlier age, such courses must be implemented no later than the early teen years. Those courses should be made available to boys as well as girls and should include not only sex education, but also communications skills, personal decision making, parenting education, and child care skills. Education is no panacea, but it is a first step in encouraging people to act responsibly and to prevent what is neither in their self-interest nor in the interest of the society as a whole.

The Role of the Public Sector, the Private Sector, and Local Communities

What we need in the 1980s, then, is an agenda that attempts to provide the support that today's families need. It must comprehend what the public sector can and should do, as well as the role of the private sector and local communities.

That agenda should not imply governmental interference in or regulation of family life. Few Americans want a more direct governmental role in caring for children or the dependent elderly. Nonetheless, government does have an effect on our lives. Everyone who pays taxes, sends children to public schools, pays into or receives assistance from Social Security, or is involved in any of hundreds of health and human services provided by the public sector knows that government affects family life in a multitude of ways. What many Americans have become more concerned about in recent years are the ways in which those activities hurt families when they should be helping them. Significantly, nearly half of the respondents in the Gallup Poll commissioned by the White House Conference on Families said that the federal government has an unfavorable influence on family life—and state and local governments, the courts, and the legal system did not fare much better.

Examples are depressingly common: Certain laws refuse or reduce financial assistance to poor families if the father is living at home, even if he is unemployed or not capable of supporting his family. Tax rates are higher for many married couples than they would be if those individuals chose not to marry. Some divorce courts take an unconscionable length of time—sometimes a year or more—to resolve child-custody cases. Incentives in the Medicare program support institutional care of the elderly over home health care.

At the very least, the nation's citizens have a right to expect that when the government affects family life, it will support it, rather than add an additional burden. The first order of business should be to change programs or procedures that are burdensome.

At the same time, most Americans recognize that the government has an important role to play here, and that the high costs of some family assistance programs are justified by real need. Despite public pressure to cut back on programs in other areas, recent surveys show strong support in this area. A Harris poll conducted in 1979, for example, shows that despite the fact that about 7 out of 10 Americans favor major cutbacks in public spending, 84 percent oppose any cutback if it means cutting back on help for the elderly or for children.[29]

There are other ways in which the public sector provides real services and assistance to the nation's families:

☐ The government—at the state and local as well as the federal levels—has a major role to play in the creation, evaluation, and planning of services. It is a proper and necessary role of the public sector to conduct surveys of the needs of children and families—and of the services available to fill those needs.

☐ The government must help to ensure equitable access to the services that families need. Rural, poor, and nonwhite families must have access to the same variety of support services that other families use.

☐ In some cases, public funds are needed to create information and referral centers, to train or retrain personnel for family-related services.

☐ Finally, the public sector can take responsibility for ensuring that alternative care arrangements meet at least the minimum standards that reflect research findings or practical experience. In the area of child care, for example, such standards include continuity of care, cleanliness and nutritional

> adequacy, a sufficiently intensive ratio of adults to children, and safety and health considerations. In the face of a growing trend toward deregulation and decentralization, we must reaffirm the importance of enforcing the standards that accompany the disbursement of public funds for such facilities as child care centers.

The role of the private sector in responding to the needs of children in the 1980s must not be overlooked. We urge the nation's private corporations to recognize the importance of safe, reliable, and consistent child care facilities. When employees feel secure about how their children are being cared for during the day, they are more likely to devote their full energies and attention to their work. Many employers have found that when they help to encourage the availability of quality child care—by subsidizing the costs to their employees of neighborhood facilities, by establishing information and referral networks, or by providing on-site facilities—absenteeism, turnover, and tardiness are reduced.[30]

There are other ways in which employers can help so that the demands of work conflict as little as possible with the demands of child care: Working hours should be made flexible whenever possible. And personnel policies should be responsive to the needs of families. If they are not threatened with the loss of seniority when they take a leave for childrearing, parents will feel freer to choose when to stay at home with children based upon what is in the family's best interest.

In addition, the community can provide essential support services for families in a number of ways. Among the needs best met within individual communities is the provision of transportation so that family members can get to the services they need. Many communities offer information and referral programs that serve as resource centers where parents can get information about screened and qualified people and agencies that provide child care and other services such as day care for elderly dependents. Such services often fill a crucial need, and enable families to make reasonable and well-informed choices among a variety of alternatives.

In light of the new realities of American family life, it is essential to re-examine the kind of commitment we as a nation have made to the quality of care available to children as well as the dependent elderly. Because there will be more women in their prime childbearing years in the 1980s than there were in the 1960s or 1970s, the number of infants and children will increase substantially even if the fertility rate continues at the low level of the past few years.

Those children must be assured of something more than a rhetorical commitment. Just as in the early decades of this century, when we acknowledged a social responsibility toward the elderly and those temporarily out of work through no fault of their own, this society should now begin to acknowledge a greater collective responsibility to provide support to those who carry the burden of rearing the next generation.

Intergenerational Compacts, Intergenerational Bonds

All societies contain two dependent generations—the young and the old. Whether their needs are met mainly by families or through social ventures such as tax-supported public schools or the Social Security system, the dependent population is, in large part, supported by the population of adults of working age. In this sense, every society makes certain intergenerational compacts: Working adults support the young and the elderly until they themselves move on to old age, when they expect the younger generation to reciprocate by supporting them.

It is worth re-examining that system of reciprocity between the generations and the collective mechanisms by which it is maintained, for the demographic transition now under way will test its strength and adaptability.

The most important features of the transition are widely recognized: Although the nation's dependency ratio—the ratio of those under 20 years of age and age 65 and older compared to those aged 20 to 64—will not change significantly in the forseeable future, the age mix of the dependent population will. Today, roughly three out of four persons in the dependent category are children or youths, and they are primarily supported by their families. Over the next few decades, however, an increasing proportion of the dependent population will consist of the elderly, whose income support comes mainly through collective mechanisms such as the Social Security system.[31] A more striking change will be in the ratio of working-age adults to persons 65 and older: In recent years, that ratio has been roughly 5:1; by the year 2025, when the baby-boom generation enters retirement age, that ratio will have declined to about 3:1.[32] As a consequence, the burden on working Americans to support the retired will increase dramatically, with profound implications for the relations between the generations and the potential of heightened intergenerational tension.

Our individual prospects of living to old age are excellent. In a sense, we are the beneficiaries of the 20th century's version of the fountain of youth, for not only has longevity increased, so has the span over which a majority of Americans remain physically and intellectually vigorous. This increase in the age and vigor of our population brings new problems and challenges in its wake: How does the aging of America affect our social institutions—such as family life, the labor market, and the educational system? How can those extra years of life be enhanced? How can the skills and experience of this growing segment of our population be tapped? How can we continue to increase the active part of life without increasing the period of disability? Because the need for an adequate income in retirement is such a pressing concern, we must take a fresh look at our collective responsibilities to the elderly and at our national policies on aging.

An adequate retirement income must be prominent on the nation's agenda in the 1980s, for it concerns millions of Americans. A recent survey from the President's Commission on Pension Policy reported that nearly two-thirds of Americans are worried that their retirement incomes will not be adequate.[33] There is reason for that concern: In addition to a declining ratio of workers to dependents, double-digit inflation and slower economic growth add to the anxiety about retirement incomes. Much of our sense of self-respect and well-being depends upon how confidently we can look forward to some security in old age. Accordingly, this nation must re-examine its goals regarding the elderly, consider the costs of providing an adequate retirement income, and debate its willingness to shoulder that burden.

The Social Security Dilemma

Forty-five years ago, when the Social Security Act was passed, the nation took on as a collective responsibility what formerly had been a family affair. In return for their contributions during their working years, that act guaranteed people a pension in retirement. The pension program was described as an insurance plan, but in fact it was not "insurance": No funds were set aside to mature and "insure" future payment. The nation's Social Security scheme, like those in most other industrial countries, is really a pay-as-you-go system, in which each year's pensioners are paid out of a fund to which those currently in the labor force contribute. It is not a system of enforced savings in which individuals are required to set money aside to provide for their own future retirement, but rather a unique intergenerational compact, a collective and formalized system of reciprocity: The second generation's payment to the first gives it a claim on the third.

Two problems result from that system, both of which will have to be addressed in the 1980s. The first concerns the changing ratio of workers to those who are retired. For several decades after the Social Security Act was passed, that system was financially sound because of the growth of the population. When the younger age group was relatively large compared to the older one, the needs of the elderly were more easily taken care of. In today's society, however, as a result of the low birth rates of recent years, more elderly Americans will have to be supported by relatively fewer younger workers. Consequently, the Social Security system will face unprecedented strains.

The most visible evidence of the increasing burden is in payments for Social Security: In 1959, the typical American family paid only 1.4 percent of its income in Social Security taxes; by 1969, it paid 3.8 percent. Over the next decade, Social Security taxes almost doubled, to 7.1 percent in 1980.[34] Over a 20-year period, then, the burden of paying for Social Security taxes has increased almost fivefold, and it will have to increase far more—to about 25 percent of average family income—over the next few decades, unless changes are made in the level of benefits or in the age at which workers retire.[35]

In addition, private corporations must fund their pension programs. The same demographic trends affecting the nation as a whole will affect individual corporations, with the result that relatively fewer workers will be generating the revenue needed to support themselves, pay for other corporate needs, and fund growing pension liabilities.

The second problem occurs because Social Security is not really an insurance system: No potential beneficiary of the system knows what benefits he or she will be paid at retirement. The level of benefits the Social Security system provides has been revised many times in the past and will be again.

The dilemma is clear: On the one hand, over the next few decades the number of retirees will increase relative to the number of workers. If high inflation continues, the value of the other sources of income upon which the elderly retire—such as personal savings and private pensions—will decline, making Social Security benefits, which are indexed to increases in the cost of living, all the more important. On the other hand, the generation of working adults will face competing pressures and priorities that may limit its ability and inclination to provide support for the elderly—and those pressures will only increase if the nation's economic growth rate continues to be relatively low.

Because of the competing demands and the resulting climate of uncertainty about Social Security benefits, we must affirm the level of income support the elderly can expect. Given their limited economic options, the elderly are in a vulnerable position. For that reason there must be no reduction in the role of Social Security in the overall retirement scheme and no reduction in the indexing of those benefits, unless another way of protecting retired adults from the effects of inflation is devised.

Many alternatives have been proposed, including more incentives to private savings, a redefinition of the age at which people qualify for full Social Security benefits, and a shift from age-based to need-based programs and payments to the elderly. These and other options are being scrutinized by the President's Commission on Pension Policy and the recently formed White House Conference on Aging.

The needs of the elderly must be prominent among our concerns for the quality of American life. It is imperative that the nation anticipate the effect of the aging of the American population and the stresses that will result when the baby-boom generation retires. If that group cannot be guaranteed pension benefits equivalent to current levels, the sooner that determination is made, the more time and opportunity there will be available for individuals, families, and institutions to seek alternative means of providing for financial security in retirement.

Tensions Between the Generations

If our national agenda for the 1980s were defined in terms of potential or emerging problems that we should try to avoid or to ameliorate, intergenerational tensions should be near the top of the list. The social compact between the generations has begun to show cracks and strains, indicating heightened tensions.

The potential for hostility between young and old can be seen most clearly in places such as Florida's Broward County, where the elderly comprise more than one-third of the population. There, as elsewhere, both young and old rely heavily on the same sources—government and families—for money and social services. In Broward County, the issue seems to have been framed as a series of tradeoffs between the young and the old. Although neither group is particularly rich or powerful, there is no question which of the two currently has more political clout or higher visibility. As one commentator remarked about Broward County:

> The net result is almost inevitably more for the old, less for the young. There is no way to prove categorically that a direct tradeoff favoring the old at the expense of the young is taking place. Yet signs of the trend are unmistakable. The fate of public spending programs [including spending for public schools], the widespread discrimination against children and young people in housing, the increasingly punitive attitude toward youthful offenders in the schools and the juvenile justice system all testify to the pervasiveness of the climate created by the growing elderly population.[36]

Such intergenerational tensions are particularly unfortunate when, as in Broward County, the young and the old are pitted against each other. There are many reasons that they might form a natural alliance. As Maggie Kuhn, national convener of the Grey Panthers, said, "Together we can make changes. Separately we aren't as effective. We share the same problems: getting society to take us seriously, obtaining credit, getting and keeping jobs, problems with drugs, and stereotyped notions about our lifestyles."

At the national level, intergenerational tensions have been exacerbated by politicians who pit the dependent generations against each other by assuming that new funds and programs for one group should come at the expense of the other. Confusion about national priorities is most obvious when certain items in the federal budget remain sacrosanct, while some unmet needs of the nation's dependent population—such as child nutrition and preventive child health services—are deemed too expensive.

There is, then, reason for concern about intergenerational tensions, and particularly how well the needs of children will be met in a society that is growing older. Within a few decades, the age mix of the entire population will be the same as it is in Florida today. By 1990, only half of all husband-wife couples will have a child under the age of 15 living at home.[37] There will be far more Americans who do not have young children of their own, and for whom the interests of children and youth are regarded as someone else's concern.

It behooves us, as a society, to pay more attention to intergenerational reciprocity and to invest in other people's children today because we are going to ask them to support other people's parents tomorrow. If the 1980s are to be a decade in which there will be considerable pressure *not* to provide the supports—both income and social services—that the nation's dependent populations need, both the public and the nation's elected officials must be convinced that there is self-interest in helping children, who do not vote, as well as the elderly, who do. In an era of tight fiscal constraints, one of the best arguments for support for child care services is economic: Where satisfactory services are available, mothers who want to work can. As a result, the welfare caseload may drop and family income rise, thus easing the tax burden for other citizens. In a decade in which the tax burden and the productivity of the labor force will remain prominent concerns, we would do well to appeal for services for children in the name of self-interest and taxpayer benefits as well as out of a sense of compassion for their needs.

When this nation re-examines the pension systems on which the elderly depend for their income, it must also reexamine the ways in which bonds between the generations are created and sustained. The implications are significant for those—particularly parents and teachers—who define the formal and informal "curriculum" of values taught to the nation's youth.

What and how should we teach young people about intergenerational reciprocity? The most effective teaching consists not of lectures about what we should do, but of the implied lessons in ordinary activities. Through such activities, members of all societies are surrounded with role models, anecdotes, symbols, and ceremonies that convey basic values. In a sense, as sociologist Edward Wynne points out,

> The old age insurance "policy" that each generation creates for itself is the attitude of obligation that it socializes into its young. This "policy" may be managed on an intra-family basis, where younger relatives are socialized to loyalty to their parents, aunts, uncles, etc. Or the "policy" may be applied within some larger community—or even the entire society—when the maturing generation is socialized to values such as patriotism, industriousness, and deference to the aged.[38]

It is Wynne's concern—shared by other social commentators—that our society ignores or rejects many of the techniques used in other societies to socialize the young to intergenerational reciprocity. He notes that since Americans are reared in an environment that does not emphasize a sense of obligation to the elderly and one in which different age groups often live at some distance from each other, bonds between the generations are no longer as strong as they were.

While it is difficult to adequately test such an assertion, there is some evidence to support it: In 1977, Daniel Yankelovich conducted a survey of more than 1,000 American households, inquiring about the attitudes of today's adults and their willingness to make personal sacrifices.[39] He concluded that the 1970s had produced a "new breed" of adults. While the attitudes held by the new breed do not yet characterize a majority of adults, they do characterize a substantial minority and represent a notable departure from traditional adult values. The new-breed adults appear to have rejected such attitudes as patriotism, thrift, and savings; they regard the institution of marriage and their own responsibilities as parents quite differently from the way adults traditionally have. They consider having children to be a option, not an obligation. Perhaps the most revealing difference between them and their more traditional peers is that new-breed parents are less willing to make sacrifices for their children. Better educated and more affluent on the average, the new-breed adults place a higher priority on self-fulfillment.[40]

That survey suggests the type of problem we face: Throughout American society today, certain tensions exist between cultural themes and social structural realities. While the demographic trends of the next few decades will test the strength and adaptability of the bonds between the generations and create a heavier burden on the adult generation to support the elderly, the cultural trend has been in the opposite direction, toward a de-emphasis on obligations between the generations.

The 1981 White House Conference on Aging provides a particularly timely occasion for re-examining national policy toward the elderly. One legitimate function of White House conferences, which serve as symbolic events with the potential to affect public attitudes as well as to reshape the public agenda, is to construct a list of the unmet needs of specific groups—and this conference can be expected to do that for the elderly. In addition, we would urge that conference to do something more, to take a broader perspective on the ways in which bonds between the generations are created and sustained and to examine the ways in which those bonds might be strengthened. For in modern societies, no less than traditional ones, bonds of affection, compassion, and responsibility between the generations are among the deepest sources of a sense of well-being.

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Chapter 6

Self-Interest AND THE Public Interest

No community or nation can survive without some willingness on the part of subgroups to see their self-interest and their future as indissolubly linked to that of the larger group. Today, we have reached and passed the danger point of divisiveness. Faction is king. And the divisiveness feeds on itself. People who find themselves surrounded by factional strife end up behaving in such a way that one judges them to be more selfish than they really are.

—John Gardner

Most discussions of quality of life, including the social indicators literature that seeks to measure our contentment, focus on individual well-being, not collective welfare. In doing so, they reflect a characteristically American trait. This society has long placed a unique emphasis on individualism—the belief that the needs of individuals are the main elements to be served by the social order—and a distinctive defense of personal freedom. Never, deTocqueville observed some 150 years ago, has there been a nation so committed to individual wants as opposed to collective needs.

That emphasis has often led Americans to disregard a point that is fundamental to any discussion of quality of life: the good life is possible only in a well-ordered community where citizenship implies a recognition of mutual interests, a shared concern for community welfare, and a willingness to contribute to the well-being of that community.

Accordingly, any discussion of the quality of American life has to include an assessment of the social fabric—the bonds that exist between people, the ways in which individuals combine their efforts to achieve collective goals—as well as an inventory of the factors, such as housing or health care, that contribute to a sense of individual well-being. No matter how well such individual needs might be provided for, we would not feel satisfied in a society where there was no respect for individual rights; nor would we have a sense of well-being in a society that provided no congenial group affiliations, or one that failed to provide for its own security and orderly development. Unfortunately, it is more difficult to make an adequate assessment of such concerns than it is to assess the level of a nation's health, its income, or its crime rates. But because this is an area of considerable concern today, it is essential to try to do so.

We need to ask how much of a sense of community exists, how strong the bonds are to the groups of which we are a part, including families, neighborhoods, corporations, and the nation as a whole. People need a sense of belonging, a feeling of community. If such associations are lacking, they will feel alienated, with little sense of responsibility for the shared life of the society. In recent years, there has been growing concern about the relationship between individuals and the large organizations that are such a prominent feature of modern society. There is a pervasive sense that the large bureaucracies, both private and public, in which so much power is vested have become increasingly remote and unresponsive to individual needs, thus inviting hostility as well as apathy.

Here we encounter what many Americans consider to be one of the most troublesome aspects of contemporary life: the relationship between individuals and the organizations designed to carry out our collective tasks. Much of the social commentary in recent years has revolved around this concern for finding a proper balance between self-interest and the public interest. Attention has been devoted to the rise of "the special interest state," in which the war of the parts against the whole has become a central problem. One of the most influential pieces of cultural commentary in recent years—historian Christopher Lasch's book, *The Culture of Narcissism*—describes a nation in which "the logic of individualism has been carried to the extreme" and the pursuit of happiness has led "to the dead end of a narcissistic preoccupation with the self."[1]

There does, in fact, appear to be some erosion of the social ties that knit people together. As the 1980s begin, the nation's mood is a combination of pessimism and passivity. Many despair over prospects for the future. Recent polls indicate that 7 out of 10 Americans are dissatisfied with the direction this nation is taking, and that almost that many think the country is in "deep and serious trouble."[2] But when asked how much confidence they have in government—our chief means of taking collective action—almost half of the American public express either "not very much" confidence or none at all.[3] The problem is compounded by widespread feelings of alienation, the sense—particularly among the young—that nothing they can do would make a difference.

However, it is easy to misread recent symptoms and thus to misunderstand the situation. Before suggesting what might be done, therefore, we must try to reach a better understanding of the problem.

Symptoms of Discontent

It is neither adequate nor accurate to explain the apparent erosion of social ties by pointing to a pervasive attitude of narcissism. Indeed, there is considerable evidence of civic concern among Americans, of people's willingness to render service in their local communities. In March 1978, for example, a Gallup study showed that 89 percent of the city dwellers polled expressed a willingness to volunteer their time and efforts to solve neighborhood problems.[4] To recall a point from Chapter 3, there is the greatest satisfaction with and optimism about the smaller social units such as neighborhoods, suburbs, or small towns. There, people are more active politically and feel that they have some effective control over the decisions that affect their lives—and this is why local government is viewed as most responsive. It would appear, in other words, that the virtues of democratic citizenship are best cultivated in, and most evident in, relatively small-scale communities. At this level, it is inaccurate to say there is general apathy about the public interest or a pervasive discontent with the exercise of power.

But there is considerable discontent with the broader circles of collective life. The larger the community one lives in, the less likely its residents are to regard it as "a good place to live." Compared to people who live in suburbs or small towns, most people who live in cities are more pessimistic about their collective future and feel there is far less they can do to affect it. With regard to the area that is most remote from the life of the individual—the nation as a whole—many people, as we have noted, are quite pessimistic and distrustful and regard government at that level as most wasteful.[5]

In part, then, the problem seems to be one of scale. In our society—whose scale is so much larger than the city-states of ancient Greece where the ideals of democracy were first defined, or even the democratic nation-states that were formed in the 18th and 19th centuries—a basic problem is to encourage participation in decisions that seem far removed from the average citizen. Alienation is something more than a modern catchword; it points to a pervasive feeling that the sphere within which personal effort is likely to make a difference is a very small one indeed, and that so many of the decisions that affect our lives are made by large organizations that are too remote to be responsive. As a consequence, as public opinion analyst Daniel Yankelovich points out, "All of our surveys over the past decade show that every year more and more people are coming to believe that the part of their lives that they are able to control is diminishing."

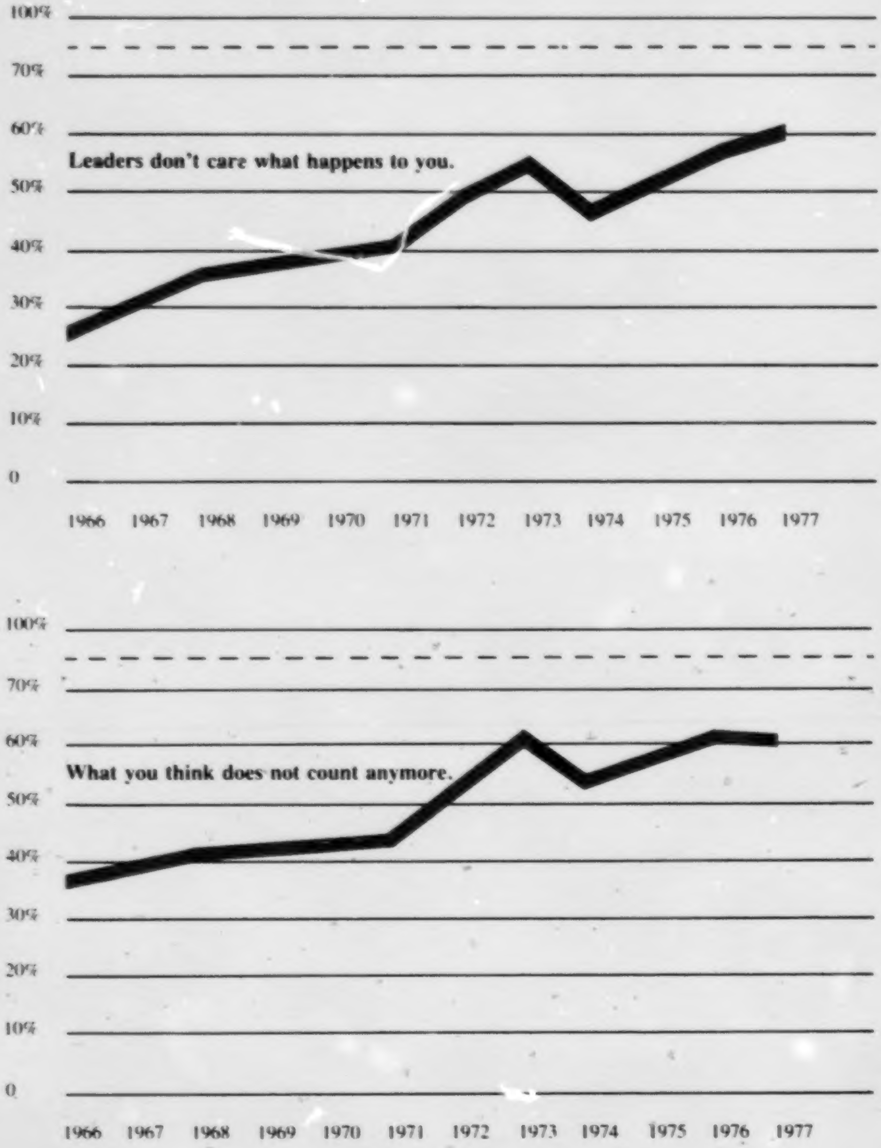
If, as Yankelovich suggests, increasing numbers of Americans feel that decisions are imposed upon them, it is hardly because there has been general indifference about citizen participation. In fact, the widely heralded "participation revolution" of the late 1960s and 1970s has left its legacy: Today, almost all new federal programs contain citizen-participation requirements, and the legislation for many older programs has been amended to include such provisions. One survey of federal programs indicates that out of more than 200 public-participation programs, 61 percent were created during the 1970s. There has also been considerable interest at state and local levels; more than half of the states now have special offices to coordinate citizen-involvement activities.[6]

However, there has been a marked decline in involvement in national politics. Over the past two decades, both the number of people who identify with political parties and the number of people who vote in national elections has dropped substantially.[7] At the same time, public disaffection with the government has grown. Since the mid-1960s, at least two polls have attempted to measure belief in the efficacy of government and its responsiveness to the public will. One of those polls, run by the Center for Political Studies at the University of Michigan, has been conducted in each of the past four Presidential election years.[8] Persons interviewed in its national sample who agree with each of these statements are considered to be disaffected: "You can trust the government in Washington to do what is right . . . only some of the time." "The government is pretty much run by a few big interests looking out for themselves." "Quite a few of the people running government are a little crooked." "Quite a few of the people running the government do not seem to know what they are doing." "People in the government waste a lot of money we pay in taxes." Between the mid-1960s and the late 1970s the percentage of people who chose these answers doubled:

1964	31%
1968	40%
1972	47%
1976	60%

There is a similar trend in the response to two of the questions in Louis Harris' "Index of Alienation."[9] Figure 5 shows the percentage of respondents who agree with both of these statements: "People running the country do not really care what happens to you," and "What you think does not count anymore."

Figure 5
Percentage of Americans Who Agree with the Statements, "Leaders Don't Care What Happens to You" and "What You Think Does Not Count Anymore"



(Source: Louis Harris and Associates)

Figure 6 shows that, over the same period, there has been a decline in public confidence in the leaders of our major institutions. The percentage of Americans who express "great confidence" in those leaders has consistently declined. In the mid-1960s, slightly more than 40 percent of the adult population expressed "great confidence" in both the Congress and the executive branch; by 1979, only 18 percent felt that way about the Congress, and 17 percent about the executive branch. Public confidence in the leaders of other major institutions—such as medicine, major companies, organized labor, and religious institutions—has declined almost as rapidly. In fact, the only major institution in which public confidence has risen is TV news, the medium through which the American public has received most of its news about the abuses of power (such as Watergate) or the apparent indifference of private companies to the public welfare (as illustrated by the dumping of toxic chemicals).[10]

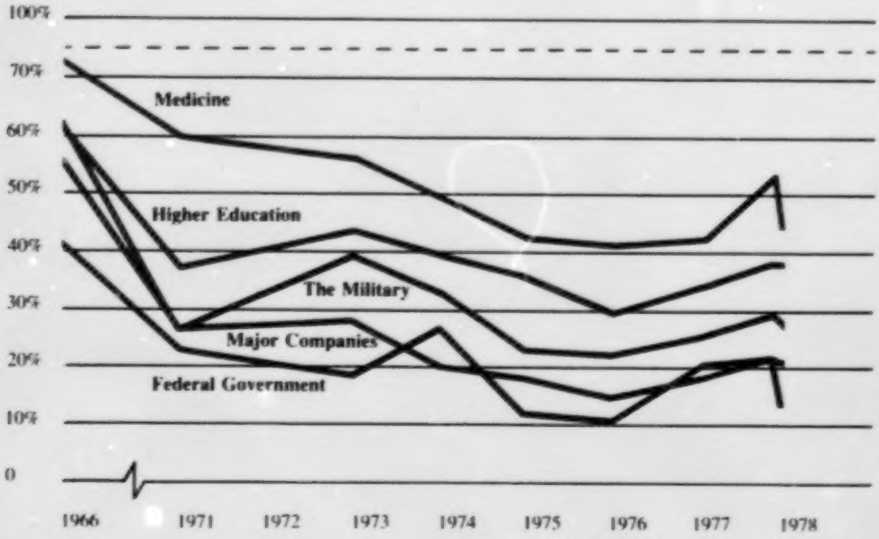
Thus, despite efforts at encouraging citizen participation at all levels of government, one of the significant trends of the past two decades has been an erosion of public confidence in government, particularly the federal government. There has been a pattern of increasing alienation and disaffection that cannot be attributed to any single event such as Watergate; it is a pattern that has continued through both Democratic and Republican administrations. Perhaps the mid-1960s—the point of comparison for these trends—was a time of unusual confidence in the nation's leaders and the efficacy of government. But, in any case, what has happened since then indicates an increasing sense of powerlessness and disaffection with the political process, that the nation's leaders in the 1980s will have to address.

Civic Competence and Concern Among the Nation's Youth

A feeling of powerlessness and disaffection with the political process is particularly acute among the young.[11] Although it may be most extreme among disadvantaged youth in the nation's cities, it is not limited to them. Among privileged youth, too, there is a pervasive sense of apathy and a need for meaningful tasks from which they can derive a sense of pride and participation. Here, for example, are the words of a 17-year-old high school student:

> . . . You ask yourself, "What am I doing? What does *any* of this matter?" And the answer is, it doesn't matter at all. . . . All school is, you know, is the great time passer. It's all a big invention to keep kids from becoming anything. . . . There isn't *anything* people my age can do that matters in the slightest to anybody. . . . This country doesn't have the time or the place or the interest in young people. We're a waste to them, that's all.

Figure 6
Percentage of Americans Expressing a Great Deal of Confidence in Leaders of Major Institutions



	1966	1971	1973	1974	1975	1976	Feb. 1977	Nov. 1977	1978	1979
Average of nine major institutions	**43%**	**27%**	**33%**	**28%**	**24%**	**20%**	**24%**	**27%**	**25%**	**23%**
TV news	25	—	41	31	35	28	28	30	35	37
Medicine	73	61	57	50	43	42	43	55	42	30
Military	62	27	40	33	24	23	27	31	29	29
Press	29	18	30	25	26	20	18	19	23	28
Organized religion	41	27	36	32	32	24	29	34	34	20
Major companies	55	27	29	21	19	16	20	23	22	18
Congress	42	19	29	18	13	9	17	15	10	18
Executive branch	41	23	19	28	13	11	23	23	14	17
Organized labor	22	14	20	18	14	10	14	15	15	10

(Source: Louis Harris and Associates)

> There isn't a single responsibility I could get at my age which the person giving it could honestly call worthwhile.[12]

This sense of apathy among the nation's youth, a sense of the irrelevance of their activities, is particularly disturbing because it is coupled with what pollster George Gallup refers to as their "tremendous political illiteracy." Both the Gallup Organization and the National Assessment of Educational Progress administer tests to the nation's youth to determine their competency to handle questions that any reasonably well-informed voter ought to be able to answer. The results of these tests indicate a consistent decline, beginning in the early 1970s, in knowledge of the U.S. governmental system among the nation's 17-year-olds. In one recent year, for example, the National Assessment found that only about half of the young people surveyed knew that each state has two Senators and that the President cannot appoint members of Congress.[13] Results from the Gallup "citizenship test" show that about one-third of the youths surveyed did not know which party held a majority in Congress. Ninety-seven percent knew that 18-year-olds are eligible to vote, but fewer than half had heard of absentee ballots and knew how to get their vote counted if they were away from their home district on election day.[14]

Other evidence suggests that the nation's young people also care less about citizenship than the youths of a decade ago. Since the mid-1960s, the American Council on Education has conducted annual surveys of the attitudes of college freshmen. Each year, it has asked those students what their most important personal objectives are. There has been a consistent and significant drop in the percentage of students who say it is very important to them to keep up with political affairs.[15] Over that same period, as indicated by surveys conducted by the Yankelovich firm, there has been a considerable decline in the percentage of American youth who consider patriotism an important value.[16]

Thus, it appears that today's youth feel a general sense of apathy and alienation from the national political process. Compared to their counterparts of a decade or more ago, they are less patriotic and have less confidence in national leaders and institutions. Such attitudes do not necessarily indicate an absence of concern for the public interest. Ours is a society that values the freedom to dissent and the right and responsibility to criticize institutions. In the wake of Vietnam—a war we could not win, fought over causes in which a majority of Americans did not believe—it is understandable that today's youths would be more reluctant about affirming patriotism as an important value.

What is disturbing is not so much that many young people feel little confidence in the nation's leaders and institutions, but rather that they are so poorly informed and have little motivation to change a situation they judge to be unsatisfactory. They are less knowledgeable about the American political process, the responsibilities of citizenship, and the ways which they might become involved in government than were the youths of 10 years ago.

These feelings and attitudes would pose a problem in any era. But they present a particularly volatile combination in a period when—as we noted in Chapter 1—a majority of Americans think that things are getting worse for the nation. Although most people are still more optimistic about their personal lives than they are about the nation as a whole, there is an increasingly pessimistic outlook here as well. No longer confident that they can survive the current economic troubles, many middle-class Americans seem to be adopting an attitude of simply trying to hold on to what they have. This means that anxieties about the economy only add to the emphasis upon self-interest.

The problems we have sketched in the preceding pages—declining confidence in the nation's leaders, a rather widespread sense of alienation from the political process, and a sense that individuals can do very little to change the society—do not permit any simple or quick solutions. We do not believe that these problems can be solved by simply exhorting Americans to have more regard for the public interest. But we can better understand what should be done by examining more closely the sources of those problems.

Many explanations have been offered to account for feelings of alienation and distrust of national leaders. It is commonly observed that they stem from the frustration of government initiatives, both in achieving domestic goals and protecting our interests abroad. But there are deeper causes as well, three of which—the sheer size of modern society, the influence of television, and the influence of the schools—deserve comment.

Size and Satisfaction

One way of accounting for the current antipathy toward the federal government is to regard it as part of an overall antipathy to *any* large-scale organization. As we have noted, one of the consistent themes in the social indicators literature on personal satisfaction is that people are more satisfied with small units than with larger ones (the larger the town, for example, the less satisfaction with it). They express far more satisfaction with what is closest: with their family life, as opposed to the nation as a whole; with their neighborhood, as opposed to their town or city; with their own doctor, as opposed to the medical profession as a whole. Much of the antipathy toward big business and big government might be regarded as a case of nostalgia, a sentimental yearning for a simpler social order where the scale was smaller and less government was necessary.

Many candidates for public office in recent years have appealed to this public antipathy to large-scale institutions by promising to reduce drastically the size of the bureaucracy, a promise that turns out to be particularly difficult to fulfill. We suggest that the nation's leaders, as well as candidates for office, place a more constructive and realistic emphasis on creating vehicles for meaningful individual participation in a large-scale society. There are many ways to improve participation, to help individuals deal with bureaucracies, and to help bureaucracies become more responsive to individuals. For example, at various levels in government, ombudsmen can investigate complaints against bureaucracies. Government services can be brought to local neighborhoods by instituting neighborhood "city halls" or neighborhood centers that help people find their way to various public offices and services. Such governmental functions as police services and welfare offices can be decentralized. And procedures—such as employee grievance policies—can ensure more effective communications between individuals and the administrators of the large organizations in which most of us work.

None of these measures by itself seems very impressive. Yet each one deserves attention and support because it helps to reduce the tensions that often result from the very scale of the society in which we live.

The Role of the Media

People feel most optimistic about the groups they know from personal experience, while they tend to feel far more pessimistic about the larger circles of collective life that they know mainly through the media. It has often been suggested that the bias of the media has contributed to the nation's sense of political alienation. It may not be coincidental that there has been a decline in belief in the legitimacy of American political institutions over the period when television has experienced its greatest growth.[17] By increasing the flow of information about events at the metropolitan, regional, and national levels without increasing the means of influencing those events, the media may well contribute to a sense of alienation. It is worthwhile, therefore, to examine the role of the media in influencing our perceptions of public events.

Chief among media sources of information about public events is television. According to the Roper Research Associates, 65 percent of TV viewers say they get most of their news of the world from television; 36 percent rely exclusively on television for news. Television also is perceived as the most credible source of information. Over half of the American public is "inclined to believe" television more than the other media.[18]

Today's adult population is the first generation raised with TV news—a powerful medium which conveys events vividly and brings national and world leaders into the homes of millions of Americans with unprecedented immediacy—as its main source of information about public events. In order to maximize their audiences and their revenues, the producers of most news shows and public affairs programs try to keep it brief, exciting, and focused on personalities and human conflict.

Producers of TV news shows often have no more than a minute or two to boil down complex events, and that brevity requires that stories be stripped of their complexity; it often forces them to focus on images rather than issues. Because the producers of television documentaries, like the producers of TV news shows, must create programs that appeal to a broad audience, they too tend not so much to analyze issues as to chronicle wrongdoing or incompetence in high places. The modern-day "muckraker," as Peter Steinfels has recently commented, is the one who presents the "inside story," the reality "behind the scenes."[19] This may well provide interest, but it is often one-sided, incomplete, and not very helpful in providing the kind of information the public needs to make balanced judgments. Certain questions are only rarely asked: In what ways is the matter under investigation representative? What factors might have operated other than personal vice or virtue? What are the available remedies? The audience is left with the impression that both incompetence and willful misrepresentation are typical, that leaders cannot be trusted, that the *real* news is bad news. This may help to explain why Americans are least satisfied with what is most remote from their personal experience, with what they know only through the media.

The "bad news" bias of the media contributes to a general sense that events are out of control. It is, by and large, the exceptional event, the dramatic instance that is covered. Even though school busing may have been accomplished peacefully in most places, the incident that is featured on the evening news is the violent episode, for that provides more interesting viewing.

TV news programming tends to focus on images rather than issues, on personalities rather than organizations or long-term social trends. By and large, "news" is what specific individuals do. The news media tend to dramatize and simplify; they focus more on individuals than on structural arrangements. Their audiences are encouraged to overestimate the influence and efficacy of individuals. Thus, many people are preoccupied with personality rather than office; they speak of the President—and attribute either blame or praise—when they might better speak of the institutional vehicle of the Presidency. Given the emphasis of the medium, it is understandable that most Americans appear to assess candidates for public office less on how they deal substantively with issues than on such factors as personal appeal.

By reinforcing the age-old temptation of politicians to deal in images rather than issues, television has been a major factor in shaping public dialogue. It may well have contributed to the general sense of mistrust of the nation's leaders reflected in surveys taken in recent years.

The Schools and "Civic Literacy"

It is too easy, and ultimately misleading, to place the blame for the apparent decline in the civic literacy of the nation's youth on the nation's schools and schoolteachers. Although the schools have a formal mandate to prepare children for responsible citizenship, they cannot be expected single-handedly to inculcate a sense of civic concern. One lesson that this nation should have learned over the past 15 years is the futility of expecting the public schools to achieve social reforms that other institutions are either incapable of or have no interest in accomplishing. Nonetheless, several trends in public education in recent years may have contributed both to a decline in civic literacy and to a more general disaffection with the political process.

Three observations might be made about the role of the public schools in civic education over the past decade: Today there is broad public awareness of the imperfections of America's major institutions, and the injustices that still characterize our society. Attempts have been made to adjust the curriculum to foster a tolerance of plurality, to represent opposing interpretations of American history, and to encourage more criticism of existing institutional arrangements. Formerly criticized for presenting civics and American history as a sterile and self-congratulatory litany, the public schools are now more often criticized for having gone too far in their criticism of existing institutions.

A second point is that, over the past two decades, enrollment in traditional civics courses—including both the 9th grade civics course offered in many schools and the Problems of Democracy course offered to 12th graders—has dropped, while there have been increases in the enrollment in such courses as economics, sociology, and psychology.[20] There are some who suggest that schools teach about citizenship in ways that are ineffective at best and counterproductive at worst. Others look at declining enrollment figures in civics courses and conclude that the schools are devoting insufficient attention to the task of preparing young people to be active and informed citizens.

A third trend is one that was noted in a recent report of the National Commission on the Reform of Secondary

Education. After an extensive analysis of curriculum and teaching methods in America's secondary schools, which found that little attention is devoted to preparing students for the tasks of citizenship, that report concludes with an observation that applies just as accurately, we think, to American society as a whole: There is a considerable emphasis upon rights and an apparent disregard for teaching about responsibilities.[21]

Cultivating Civic Concern

There are no easy answers to the question of how a balance between rights and responsibilities, between self-interest and the public interest might be restored. It is neither realistic nor desirable to recommend a return to patriotic drills or the reassertion of moral or ethical education in the schools. However, this panel has a responsibility to go further than describing the problem and identifying the attitudes that contribute to it: At stake is the individual's sense of responsibility for something that goes beyond the self, the family, and the immediate community.

A sense of civic concern does not arise as a matter of course in any society. It has to be cultivated and encouraged by institutional arrangements that nourish it and give it direction. This is a perennial problem in democratic societies. For centuries, social philosophers have tried to devise pragmatic means by which a sense of *civitas* could be maintained. Early in this century, for example, in a seminal essay entitled "The Moral Equivalent of War," William James explored the ways in which a democratic nation might encourage a sense of social cohesiveness apart from the external threat of war and the military ideal of patriotism. Looking again at James' essay, we are reminded of the task that each generation faces—of eliciting a sense of commitment to the public interest and creating the institutional vehicles by which people have an opportunity to make a meaningful contribution toward shared social goals.

We believe that, despite the recent emphasis on self-interest, there are—in most Americans—motives that can be put to work in the public interest. As one of the members of this Commission, John Gardner, recently said:

> There is more that unites us than divides us. . . . We do want a good future for our children. Most Americans are problem-solvers by nature; they want to make our system work, and they are ready to do what is necessary to that end. They have never loved government, but they love their country, and want the best for it. And they would feel better about themselves if they were working toward shared goals.[22]

Especially because of the indications of an eroding commitment to the "public household," we believe that the nation's leaders must appeal to those motives that unite us. New opportunities must be created to give young people a sense of meaningful participation, and to cultivate the values of citizenship that are essential to maintain a coherent democratic society.

Public Service and the Needs of Youth

Over the past few years, various commissions have addressed the need for new policies for youth. A disturbing number of indicators—including a rising youth suicide rate, staggering amounts of youth vandalism and violent crimes, drug and alcohol abuse, teenage pregnancy, and widespread apathy—point to the problems today's youths have in managing the transition from adolescence to adulthood.

Among the major commissions that have addressed these problems in recent years, a virtual consensus exists about the importance of meeting the needs of youth and serving the public interest at the same time by significantly expanding opportunities for public service.

In a 1973 report, the Carnegie Commission on Higher Education, chaired by Clark Kerr, concluded that youth service programs "serve the national interest" and "provide valuable learning experiences." It recommended that such programs be expanded and made more attractive to younger age groups.[23]

A year later, in 1974, James S. Coleman and his colleagues on the Panel on Youth of the President's Science Advisory Committee concluded that the transition to adulthood is impeded by institutions that prolong dependency; that young people have too few responsibilities and are too segregated from the world of adults; that school provides only part of the experience that they need to make the transition to adulthood. They recommended the creation of new environments for youth that would give them new responsibilities and roles.[24]

Last year, the Carnegie Council on Policy Studies in Higher Education issued a report—entitled *Giving Youth a Better Chance: Options for Education, Work and Service*—that addresses the need for initiatives to help young people match their ambitions and interests with opportunities in the community. Commenting that "young people receive too heavy a dose of schooling for too long a period, unmixed with knowledge of the world of work or experience in work or community service," the council urges the establishment of a multifaceted youth service program.[25]

We agree with that recommendation and are encouraged by the results of recent studies of the effects of "experiential education"—where classroom experience is complemented by learning that takes place through volunteer service, political and social action, or work experience. Those studies suggest that one result of placing students in responsible roles where their actions affect others is that they begin to feel a greater sense of social responsibility as well as personal efficacy.[26]

In many nations, the potential of youth to contribute to the achievement of broad social goals is both recognized and utilized. Rather than regarding military service as the only socially useful task that young people can perform, as this country does, other nations have mobilized young people around large social tasks other than war and, in the process, have balanced the formal education system with opportunities to work for the public interest.

In this country, where there has been such a marked reluctance to require anything of young people other than school attendance and military duty during wartime, only limited attempts have been made to test the concept of national service. Those attempts, however, have been quite successful from the point of view of most of the individuals who served as well as the nation as a whole. There is, we believe, something to be learned from those experiences, something that is particularly pertinent to America in the 1980s.

Precedents for Public Service

One experiment with national service began as an executive order from President Franklin D. Roosevelt issued in the first 100 days after his inaugural—the creation of the Civilian Conservation Corps (CCC). Under the CCC, 3 million youths served the nation, working out of hundreds of camps across the country. They contributed to the public welfare by constructing roads, caring for national parks, and working on many community improvements projects. We are indebted to them for, among other things, nearly half the trees that have been planted in this country since its founding. The CCC ended when World War II began, and there were more pressing demands for the service of young people.

The second major experiment in recruiting young people for public service was created by President Kennedy in one of the early initiatives of his administration. It began as an ideal (articulated in what was perhaps his most memorable line, "Ask not what your country can do for you, but what you can do for your country") that was translated into an action program, the Peace Corps, in which more then 70,000 people have served since 1961. Many others have served in the domestic volunteer programs which were spun off from the Peace Corps, such as VISTA, the National Health Services Corps, and the National Teachers Corps.

Since then, numerous local or regional community service programs have been initiated. One of those is the California Conservation Corps, through which young people contribute more than 2 million hours of public service conservation work each year. Volunteers in that program, which begins with a month-long training period that includes many of the elements of boot camp, develop a tremendous sense of civic pride. As B. T. Collins, director of the program and a former Green Beret, comments: "I have no regrets about my war experience, but war is such a terrible waste. I like to think of the CCC as an army, but an army to protect the environment and to do something for its members."[27]

But for all of the enthusiasm that surrounded such efforts as the Peace Corps, that program—even at its peak of 15,000 overseas volunteers—affected only a small fraction of the nearly 4 million young people who turned 18 each year during the 1960s. Even including the thousands who have enlisted in VISTA and other volunteer programs, the total number of young people involved in full-time service is relatively small and not a representative cross-section.

In the mid-1960s, considerable thought was given to expanding the concept of national service to a much broader group. In 1965, for example, President Johnson proposed that the nation "search for new ways" by which "every young American will have the opportunity—and feel the obligation—to give at least a few years of his or her life to the service of others in the nation and the world." Just a few months later, the Secretary General of the United Nations echoed that view, declaring that he was "looking forward to the time when the average youngster —and parent and employer—will consider one or two years of work for the cause of development, either in a faraway country or in a depressed area of his own community, as a normal part of one's education."

But the events of the next few years, including the cumulative effect of the assassinations of John and Robert Kennedy and Martin Luther King Jr., resistance to military service, and increased cynicism about the corruption of power that followed revelations of Watergate, all contributed to a very different mood by the end of the decade, one that was not very congenial to the idea of national service.

By the late 1970s, national service appeared to be an idea whose time had come, once again. Over the past few years, it has been advocated by a variety of people, and for different reasons. ACTION received $3 million to develop the idea. Writing in *Ebony* about "the endangered generation" of black youth, Vernon Jordan called for the creation of a National Youth Service to end "the malign neglect of young people."[28] In California, Governor Brown has launched a state program of youth service. In the Congress, Senator Sam Nunn (R-Ga.) has commissioned several studies about the effects a national service program might have on military recruiting problems and youth unemployment. In 1979, under the auspices of the Potomac Institute, the Committee for the Study of National Service issued a major report, urging national service as an imaginative way of tapping the "unused energies and talents of American youth."[29]

Although the details of these various proposals for national service have differed, as have the specific goals of its proponents, there is a shared concern for instilling a sense of obligation for the needs of society and for recruiting young people to perform vital tasks for their communities and the nation. Such service would be regarded both as a duty and an opportunity. It might well shape the civic attitudes of young people as well as help in developing skills useful to them in their future careers.

A Public Service Program for the 1980s

There is a sad irony in the fact that while many young people today feel that their lives lack meaning and believe that there is little they can do that would make a difference, so many social needs go unmet. A well-conceived and carefully administered public service program might perform a real service by matching needs with resources.

In remarks to the Senate in December 1979 on the concept of national service, Senator Alan Cranston (D-Calif.) commented:

> I believe it is time for America to challenge its people, especially its young people, to draw out the best that is in them, and to ask them to do their best for their country. I believe they are waiting to be asked.[30]

We believe it is time to begin translating this idea into reality. This will require both strong national leadership to stimulate interest and coordinate the program and a deeply felt commitment in communities across the country.

> **Accordingly, this Panel recommends that a national commission be created to conduct a comprehensive inquiry into public service programs as a significant component of the educational experience of the nation's youth.**

Many aspects of this idea deserve careful scrutiny and broad debate. We believe that a comprehensive inquiry into the ways in which public service might be implemented as a major component of the schooling experience would be a valuable step toward making this idea a reality. There is considerable merit in establishing a Presidential commission to address this issue and to report its findings to the nation. That commission should consist of students as well as educators. It should address the question of how public service might become an integral element in a new kind of citizenship training.

In its discussion of a public service program, the members of this panel have considered many alternative plans, as well as such questions as whether it should be mandatory, what age groups it should comprise, what relation it should bear to military service, and how many of the options would involve living and working outside one's home community. Although we did not reach unanimous agreement about all of these matters, we were able to agree about basic premises. We believe that the opportunity should be given to each young person to serve his or her community and country in a manner consistent both with public needs and with the skills and interests of the individual.

The features of a public service program that we describe here represent nothing more than the outcome of our discussions as a panel. But a brief description of the kind of public service program we envision may help to specify the issues such a commission might address.

There are three broad criteria that must be met by any public service program:

☐ **The work must be meaningful.** There is no way of meeting the larger goals we have laid out—to instill a sense of pride in the nation's youth and to encourage young people to help meet some real needs in their communities and their nation—if their work is "make work" or simply menial tasks. The success of youth service programs in other nations is due largely to the types of tasks that youths perform, tasks that allow them to make meaningful and distinct contributions.

☐ **The program must be economical.** Given the current constraints on public sector spending, no program could be judged acceptable if its costs—both administrative and programmatic—were prohibitive relative to its benefits.

☐ **The program must be equitable.** It is imperative that no group be required to carry a disproportionate burden or enjoy a disproportionate share of its benefits. This means that the conditions of service of various options must be roughly equivalent. And this, in turn, raises the difficult question of whether some form of public service should be mandatory for all American youth. We are aware of, and sensitive to, the objections to such a pro-

> posal; those objections should be fully aired and considered in the proceedings of the commission that considers this proposal. But we also think there is some merit in requiring public service for all of the nation's youth, just as certain courses are currently required as a part of their educational experience. One of the best reasons for requiring public service, rather than making it optional, is that this would help to avoid some gross inequities, such as those that characterized the Selective Service System, under which few were drafted and many claimed special reasons for exemption. Though individuals should be allowed considerable latitude in choosing when and where to perform service, a public service program cannot be so voluntary as to allow the individual to elect not to serve at all. This option would make a mockery of both the universality and the equity of the public service concept; it would, in effect, mean a continuation of the situation that exists today, in which a very small percentage of youths elect to serve in voluntary programs. At the basis of the public service concept is the belief that this should be a duty which we expect all young people to perform as part of their education. Just as we require the nation's youth to spend a certain number of years in school to prepare adequately for the responsibilities of adult life, we regard a period of public service as an essential part of one's training for citizenship, one that would make a valuable addition to what can be learned in the classroom.

Public service should consist of an innovative contribution to the solution of real public problems. In most cases, youths should work in teams and in programs whose goals the youths themselves would help to define. The principle of this program is that *service* is being rendered; this program should not function as an alternative to the labor market.

The service option should include a range of programs —at the local, regional, and national levels—where the efforts of youth could make a distinctive contribution. Much needs to be done, for example, with regard to energy conservation and the environment. At several schools, students have responded to those needs first by taking intensive training in energy conservation—by studying home energy auditing, insulation, weatherization, and the use of alternative technology—and then setting up information services to help community members use energy more efficiently. In other communities, students are active in bringing the arts and other cultural programs to the elderly and to new audiences in rural and inner-city areas. Students have also shown how important their efforts can be in other areas, such as assisting with the many needs—including housing, tutoring, and job-finding—that refugee families have when they settle in this country.

This last example illustrates a particularly pressing need, one so urgent as to provide the "moral equivalent of war" of which William James wrote some 70 years ago. Adam Yarmolinksy recently said, "The greatest unmet needs in the United States today are for human services provided by relatively untrained but caring people."[31] As he points out, it is—by and large—not human service professionals who are lacking today, but rather such workers as classroom aides and helpers in community centers. He also notes that cuts in the public budget in many communities have resulted in the deterioration of public facilities such as parks and libraries. Just as the Civilian Conservation Corps workers of the 1930s provided real service by building or restoring public facilities, a public service program involving the nation's youth in the 1980s could make a genuine contribution here.

A recent analysis of job-creation potential conducted by the Urban Institute, probably the most thorough analysis of unmet social needs ever conducted in this country, suggests the numbers of people with low-level skills who might usefully be recruited to perform unmet needs. Many of those needs are in such areas as environmental quality, public works, and public safety that are eminently suited to the sort of public service program we envision.[32]

We find encouraging the results of a recent Gallup poll in which the nation's teenagers were asked how they felt about a voluntary public service program. An overwhelming majority, 71 percent, approved of such a program. Twenty-two percent said they would definitely be interested in volunteering for a 1-year period, and another 30 percent said they might be interested.[33]

Like several earlier commissions that examined the problems of youth today and considered the merits of community service as a means of responding to the needs of both individuals and the society as a whole, we believe this is a proposal well worth translating into action. The vitality of a democratic society rests upon the informed and reflective commitment of its citizens. Education for thoughtful and active citizenship is a difficult task, one that the schools cannot perform by themselves. But innovative approaches to education for citizenship, such as a public service program for the nation's youth, would represent a significant step toward the goal of re-establishing a balance between self-interest and the public interest.

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Chapter 7

Part III - CONCLUSIONS

Prospects AND Predicaments FOR THE 1980s

> The public philosophy is addressed to the government of our appetites and passions by the reason of a second, civilized, and acquired nature. Therefore, the public philosophy cannot be popular. For it aims to resist and to regulate those very desires and opinions which are most popular.
>
> —Walter Lippmann

In this final chapter our purpose is not so much to summarize as to distill, to take a broader view of the nation's prospects and predicaments for the 1980s. Our task has been partly descriptive, partly prescriptive. The nation has experienced a series of abrupt changes—in our economic circumstances, our international position, our cultural outlook. These changes have generated confusion and a basic shift in the public mood. In order to assess the nation's prospects for the 1980s, it is important to describe what has changed in our condition.

When this Commission was formed, there was a good deal of concern about what appeared to be a pervasive change in the nation's mood—an increased sense of pessimism about the nation's prospects and an erosion of confidence in the future. This is a shift of considerable significance, one that makes our situation very different from what it was a decade ago, and one that has shaped the task of this Commission in various ways. The insistent questions are why this change of mood has taken place, whether it is a reflection of real changes in our circumstances, and what it reveals about our well-being as individuals and as a society. Since our focus as a panel has been on individuals rather than institutions, these are questions to which we have returned time and again in our deliberations over the past 8 months. In this final chapter we will address these questions directly and, in doing so, try to elucidate a theme that runs throughout much of this report.

The Legacy of the Postwar Era

One way of accounting for the change in the nation's mood is to look back to the dramatic changes that have taken place in this country since the postwar period.

By comparing the circumstances of the postwar generation—a period that ended about 1970—with those of the 1980s, we can better understand the tensions between expectations and current realities, as well as the adjustments this nation will have to make to those new realities and their implications for the nation's leaders.

In 1960, when the *Goals for Americans* report was being prepared, despite the impression of anxious concern about national purpose that was conveyed by the media, opinion polls indicated considerable complacency and optimism among most Americans about their personal future and about that of the nation as a whole. During the early 1960s, there was also considerable confidence in the leaders of major institutions—including Congress and the Presidency.

There was good reason for that mood, for in the postwar generation the nation was riding a growth wave that was propelled by a set of benign and unprecedented circumstances. Throughout the postwar period and until the early 1970s, the nation had, as Daniel Yankelovich writes,

> grown accustomed to a rising economy, a relatively low rate of inflation, a greater concern with managing demand rather than worrying about supply, world leadership in the economic and political sphere, steady advances in productivity gains, and a set of political "rules" geared to a rising economy. . . .[1]

Most people perceived those developments not as abstractions remote from the circumstances of everyday life, but as factors that enabled individuals to live better, to get better housing and more education, and to look forward to security and dignity in retirement. The average American enjoyed not only increasing real wages and the consumer goods they bought, but also more fringe benefits, more paid holidays, longer vacations, better health and pension plans, and less physically onerous work. If, in the 1950s and 1960s, Americans had been asked whether things were better for them and their families than they had been 4 years earlier, most would have agreed that things had improved; that improvement provided the foundation for their optimism about the future.

If they had been asked whether things were better for them and their families than they had been for their parents, there would have been no question about their response: Most Americans who reached maturity in the 1950s grew up during the Depression. They wanted for themselves and their children the kind of economic security that could not be taken for granted during their childhood. What they experienced exceeded their expectations—a generation of impressive and sustained economic growth.

The average annual growth rate from 1950 to 1972 was an unprecedented 3.8 percent. What that meant for Americans was a steady increase in the standard of living. Between 1947 and 1973, the income of the average American family (after adjusting for inflation) had doubled. This had indeed become an affluent society for many Americans. The nation enjoyed an ever-increasing stock of consumer goods and the freedom that constant increases in discretionary income provided.

During that period, higher education became a prominent part of the American dream of material progress and individual advancement. It was an era of upward mobility, and a college degree opened the door to an abundance of jobs. It was not simply that jobs were abundant and the unemployment rate relatively low. More important, the most rapidly expanding part of the labor force—in such professions as medicine, law, science, engineering, and teaching—was also the most prestigious. Thus, it was realistic for middle-class Americans in that generation to aspire to positions higher than the ones their fathers had held. For America's poor and underprivileged, this pattern of upward mobility held out the promise that their aspirations too might be met.

There were other ways in which the postwar growth wave set up new expectations that quickly came to be regarded as entitlements. In previous generations, most urban dwellers had lived in rental properties. The postwar generation became the first in which a large majority of middle-class families owned their own home. The detached house on a suburban property provided far more than shelter; it became the main symbol of success and personal security. Another new entitlement that many Americans began to take for granted by the end of that postwar generation was the right to an early retirement, free from economic insecurities.

The confidence that most Americans felt about their personal futures, as well as about the direction of the nation as a whole, was based upon these real and impressive achievements of the postwar generation. Given those achievements, it is not surprising there was general optimism about the future and confidence in major institutions. Most people felt that if government provided a helping hand, science and technology would "find the answers"; that education would continue to provide the road to opportunity and equality; and that sustained rapid economic growth would provide the means for ever-increasing affluence. Under those circumstances, the main tasks of national leadership were to sustain economic growth, and— as illustrated by the initiatives of the Great Society programs—to move forward to accomplish the nation's "unfinished business," to extend rights and expand opportunities.

Quality of life goes far beyond economics, but it begins for most Americans with a sense of economic security. During the postwar period, although substantial numbers of Americans continued to face the problems of poverty and unemployment, society provided well for most of its middle-class population. Increasing affluence, upward mobility, better housing, and a more secure retirement all added to a sense of well-being. If one of the basic themes of "the American Dream" has been the assumption that a progressively higher standard of living could be gained for a growing population, in the 1950s and 1960s there seemed to be no reason why that expectation could not be met.

The Realities of a New Era

However, beginning in the 1970s, Americans were faced with a series of new and unanticipated realities. On one level, it was becoming clearer that many of the nation's emerging problems were—as the National Goals Research Staff put it—"a result of successes as defined in yesterday's terms."[2] By heightening the level of educational achievement, we produced a new problem, an "over-qualified" labor force that expressed its dissatisfaction in low morale and decreased productivity. Increased consumption led to increased per capita environmental impact, to energy shortages and pollution. Satisfaction of the basic needs of millions of Americans led to a revolution of rising expectations.

On a deeper level, some fundamental social and economic changes have taken place: The growth rate has slowed down, and a relatively high inflation rate is proving to be something more than a transient feature of the economy. New demographic realities are changing the shape of American society. The age of cheap energy is over, and so is the period when this nation had an unquestioned preeminence in the world community.

The combined impact of these factors is to create a very different situation from the one the nation experienced in the postwar generation. As a consequence, expectations of a progressively higher standard of living for most Americans are not likely to be satisfied.

The gap between expectations and realities is greatest for those who grew up in the postwar period and are now entering maturity. Reared in circumstances of unprecedented affluence, the aspirations of that group were raised by an unprecedented exposure to education. They approached their adult years with high expectations and encountered a set of rather uncongenial circumstances. Rather than achieving a progressively higher standard of living, this generation will encounter four substantial obstacles that are likely to have an immediate impact on well-being:

☐ For at least the next few years, slower growth rates will mean that the real income of the average American family (correcting for inflation and deducting taxes) is not likely to grow very much, if at all. Deprived of the steady increases in discretionary income that they came to expect as a matter of course as they were growing up in the 1950s and 1960s, the baby-boom generation will feel a sense of relative deprivation. It will no longer be realistic to expect what most Americans enjoyed in the postwar period—an expanding stock of consumer goods, the material symbols of individual status and success.

☐ Just as the dollar does not buy what it formerly did, neither does a college degree. While this phenomenon has been widely discussed in recent years, it is worth noting how different the labor market of the 1980s will be from that of the postwar period, when various factors combined to create a pattern of upward mobility. Due largely to the fact that the top rungs of the occupational ladder are filled with people who graduated in the 1950s and 1960s, it will be much harder for college graduates in the 1980s than it was for their parents a generation earlier to find employment in professional occupations. Jobs will be available. The best projections are that the rates at which new jobs will be created will be about the same as they have been over the past few years, but those jobs will not be the more prestigious or the better paying ones. The main growth sectors in the 1980s labor force will be in areas such as clerical and health care workers, computer operators, and medical technicians. This means that there will be intense competition among a large group of college graduates for a relatively small number of professional positions and that those who do not find such positions will settle for jobs in areas where they define themselves as "overeducated." If many of the new professionals of the postwar era were the beneficiaries of structural factors over which they had no control, members of this generation will encounter a very different set of circumstances, ones that will impede their chances of upward mobility.

☐ Just as this generation will encounter some obstacles in achieving both the constant increments in standard of living that their parents experienced and upward mobility, so will they experience difficulties in buying the housing that middle-class families have come to expect. Those who bought into the housing market before prices started to increase dramatically in the early 1970s benefitted from their increasing value and were able at least to keep up with the market. But first-time buyers now bear the full burden of rapidly inflating housing costs. As a consequence, a majority of the baby-boom generation looking for housing in the 1980s will, unless circumstances change, be priced out of the market.

☐ Finally, this generation cannot take for granted one of the main entitlements that was first promised in the postwar generation—the right to an early and economically secure retirement. Two factors combine to create a far more difficult situation than the one that existed a generation earlier. Among the several sources of retirement income upon which most elderly people depend, only Social Security is adjusted to compensate for the effects of inflation. If high inflation continues, many people may not be able to retire as early as their parents did. Second, the size of the baby-boom generation will create unprecedented strains on the rest of society to provide for them. It has been suggested that the cost of supporting the elderly would be one-third lower in 1990 if the normal retirement age were raised to 70 rather than 65.[3] Such a proposal would eliminate the entitlement of early retirement, one that was offered briefly during an era of rapid growth and different demographic realities. To the extent that the prospect of early retirement free from economic concern contributes to people's sense of well-being, this is likely to be a factor that detracts from the quality of life of the baby-boom generation as they mature in the 1980s.

The frustrations likely to arise because of the gap between the expectations nurtured in the postwar era and the realities of the 1980s will not be confined to the children of the baby boom. Americans came to expect the amenities—both individual and collective—that a wealthy society could afford just as the economy reached the point where it could no longer deliver ever-increasing dividends. Most Americans want and expect the fruits of continued material prosperity as well as the new amenities that were first proposed in an era of rapid growth.

Having noted that, for various reasons, the realities of the 1980s are not likely to satisfy the expectations nurtured in the 1950s and 1960s, we should also note that by comparison to the circumstances of any earlier era, or other societies, most Americans are likely to be quite well off. But since the level of satisfaction that people feel about their lives depends far less on objective measures of how well off the nation is than it does on the extent to which realities correspond to expectations, a good deal of frustration and dissatisfaction can be expected.

To point out that the current mood of uncertainty and pessimism about the nation's prospects results in part from the unusually high expectations generated in a period of unprecedented growth is neither to explain away that mood nor to minimize its consequences. One of the continuing problems for the nation's leaders in the 1980s will be to cope with the tensions between high expectations and the realities of an era of resource constraints, slower growth rates, and new demographic realities.

Adjusting to New Realities in the 1980s

In many ways, then, the recent discontent and pessimism in this nation are a reaction to a transition that is underway between the realities of the postwar era and a new set of realities that poses more constraints and requires a moderation of expectations. Summarizing a number of recent surveys, Yankelovich comments that:

> The research reveals a picture of Americans midway between an older post-World War II attitude of expanding horizons, a growing psychology of entitlement, unfettered optimism, and unqualified confidence in technology and economic growth, and a present state of mind of lowering expectations, apprehension about the future, mistrust in institutions, and a growing psychology of limits.[4]

This nation is now only midway through that transition. Thus, it is understandable that many Americans feel caught in the cross-current between incompatible or inconsistent messages. Basically, the contradiction results from the fact that most of the *cultural* emphases—such as an emphasis on a growing psychology of entitlement, on rights that are not necessarily balanced by corresponding responsibilities, on individual freedom and personal choice—are those that were nurtured by the benign circumstances of the postwar decades. But many of the *social structural* trends of recent years—such as slower growth, resource shortages, and the heavy competition for positions in the labor force that resulted from the aging of the baby-boom generation—impose far more constraints than this nation experienced in the postwar era.[5]

The mixed signals that result from the incompatibility between cultural themes and social structural realities create considerable confusion. In schools and family life, this confusion is expressed as a conflict over values: Should parents and teachers emphasize the virtues of self-discipline, obedience, achievement, and deferred gratification, or should they encourage self-expression and an emphasis on individual rights? In the workplace, it appears as a conflict between those who emphasize efficiency, orderliness, and productivity and those who insist that workers are entitled not only to a safe environment but also one that is self-enhancing. In the marketplace, there are inconsistent messages about whether shortages really exist, about the wisdom and necessity of tempering habits of consumption with attitudes of conservation.

As a result, there is a mismatch between demands and resources that gives rise to incompatible expectations. Workers feel entitled to a generous package of fringe benefits as well as a shorter work week, without feeling a sense of responsibility to increase productivity, which provides the profits out of which those entitlements are paid. Incompatible demands are made of the government: on the one hand, people feel that the government owes them certain benefits; on the other, there are pressures for lower taxes and less federal spending, even though almost half of the budget is already committed to "uncontrollables" in the form of federal commitments to entitlement programs.

However, until it becomes clear that certain choices must be made, most Americans will continue to assume that they have a right to expect *both* the dividends of rapid economic growth that came in the form of constant increases in real income and the quality-of-life amenities—such as early retirement, generous entitlement programs, and guarantees of a clean and safe environment—that were first promised in an era of more rapid growth.

The adjustment to the new realities that make the 1980s so different from the postwar period will not be an easy one. It will require changes in our attitudes and expectations, in economic and educational institutions, and in public policies. New realities pose different and more difficult tasks for the nation's leaders in the 1980s.

Problems of Government and Leadership in the 1980s

As this Panel concludes its deliberations, just a few weeks after the Presidential election, it is particularly appropriate to examine the fundamental problems of national leadership that became such a preoccupation during the last few months of the campaign. This is a time of unusual turbulence. Many Americans have genuine doubts about the capability of political processes to deliver solutions to our most pressing problems. Despite all the prescriptions for governmental philosophy and action put forth during the recent campaign, there does not appear to be a great deal of popular confidence in any of them. Americans are between idea systems. Just as the problems of the Depression led to a redefinition of the role and scope of the government in the 1930s, the trials of the 1970s caused much of the support for New Deal liberalism to erode. What is not yet clear is whether a new public philosophy—the successor to New Deal liberalism—will emerge in response to the new realities of the 1980s.

Therefore, we raise again the most basic questions about the American political process: How much government does the nation need, and how much are the nation's citizens willing to pay for? What is the proper role of the public sector? Why has this nation recently experienced so much trouble in building coalitions in support of new initiatives?

This nation was founded in revolt against the excesses of government, and for more than a century one of the distinctive characteristics of our society was its profession of the limits of governmental intervention. But over the past half century, various factors combined to expand the role of government, not the least of which has been the inclination of those who would change the nation for the better to do so by expanding the powers of government. The New Deal was an argument for the centralization of governmental authority and the nationalization of political action in order to achieve certain social and economic goals and, in many ways, it has been the reigning public philosophy over the past 40 years. As a nation, we have set goals—such as national security, the exploration of space, the reduction of poverty, and the protection of the environment—that involve huge expenditures and large-scale organization of effort. The articulation of these goals fostered big government. From the Great Depression through the 1960s, the federal government took on new responsibilities, and a large majority of the electorate looked confidently to the government for solutions to our most pressing problems. By and large, there was, over that period, strong public support for an expanded public sector.

Since the late 1960s, however, public confidence in government has eroded, and there seems to be a widespread reappraisal of the impact of government on the quality of life. A majority of Americans now feels that the federal government does more to make their lives worse than to improve them, and many people are expressing that sentiment with their votes. Declining confidence in Congress and the executive branch is reflected in the inclination of a majority to decrease the power of the federal government.

It is regrettable—if understandable, given the frustrations of recent years—that what seems to be happening is a swing in public opinion from excessive faith in government to disdain for it. There is considerable peril in alternating between utopian expectations of the public sector and despair over whether it can accomplish anything. The worst result would be a drastically scaled-down government that responds to the nation's mood but not to its needs.

A complex and rapidly changing society requires a vigorous government. In the more constrained world of the 1980s where longer range and larger scale decisions will be required, the public sector has tasks of great urgency to perform. The private sector may excel in catering to our individual wants, and the market may be an effective mechanism for distributing private goods, but the fact remains that quality of life depends to an increasing extent on how well community needs are met—and it is primarily the public sector that addresses those needs.

An appropriate public philosophy for the 1980s would acknowledge the importance of meeting community needs, but it would also comprehend something that was not clear a decade ago: We live today in a "padded" society, where the very measures designed to provide security—such as automatic increases for workers regardless of productivity, constantly increasing unemployment compensation, and increasing pensions for retirees—have added a heavy inflationary burden. While that "padding" has reduced certain forms of insecurity for millions of Americans, it is also associated with a decline in the work ethic; it has led to rigidity in wages and prices and to government deficits in good times as well as bad. A new public philosophy would, in other words, recognize that certain protective measures should be reconsidered. The effect of hundreds of programs—such as trade restrictions, bailouts for large firms, and loan guarantees—that were designed to solve the problems of some specific group has been to create a bigger problem for everyone. Just as the Depression ushered in an expanded government that took on new roles, the circumstances of the past few years suggest that the division of labor between government and the private sector should, once again, be redefined.

Coalition-Building and a Sense of the Commonweal

Conspicuously lacking today is perhaps the most basic element in a viable public philosophy: a sense of the commonweal. No less than a personal philosophy, a public philosophy is an expression of values, an acknowledgment of social ties that bind and unite a people. At the basis of any society is a sense of what the Greeks referred to as *civitas,* the willingness not only to obey the laws but also to forgo the temptation of private enrichment at the expense of the commonweal. The classical economists, such as Adam Smith, assumed that people could be trusted to pursue their self-interest without undue harm to the community not only because of the constraints of the law, but also because they were subject to the built-in restraints derived from morals, religion, custom, and education.

One fundamental difficulty this nation faces is that those normative rules that define the common good are not nearly so compelling today as they were in the past. Indeed, it often appears that there are no longer *any* transcendent ties that are sufficiently compelling so as to justify—when necessary—certain sacrifices of self-interest. This goes a long way toward explaining why, in recent years, it has been so difficult for the nation's leaders to mobilize coalitions behind solutions to pressing problems.

Part of the legacy of an era of rapid growth was the expansion of individual claims. The pursuit of civil rights for those who had so cruelly been denied those rights led to a period of almost ruthless insistence on rights and demands. The past decade—which some have called the "Me Decade" or the "Age of Narcissism"—was a time of exponential individualism, in which it was unfashionable to assert the necessity of limitation or compromise.

It is not surprising that the war of the parts against the whole has become one of our central problems. In a society that consists of such a delicate balance of interdependent parts as ours, the working of the whole system may be threatened if one part stops functioning (as the air traffic controllers, among others, have demonstrated). The problem today is that the "public household" is not so much a community as it is an arena. Indeed, at times it looks more like a demolition derby. At its worst, ours has become a society in which no one can assemble a majority except in complaint. Where the body politic is so splintered, coalitions are hard to come by, and leaders are often unable to convince anyone that certain sacrifices of self-interest are necessary for the common good.

This may help to explain why the last four Presidencies have ended so unhappily. Lyndon Johnson's term of office ended with what amounted to a forced retirement, Richard Nixon's with a de facto impeachment. Gerald Ford was not considered a satisfactory successor by a majority of the electorate. And, after one term, the Carter Presidency ended with a vote of no confidence. Despite the distinctive circumstances under which each of these administrations ended, the impression is that Presidential elections have become a referendum on happiness, that Presidents are blamed for frustrations and failure that are systemic and—to some extent—beyond their control.

The exercise of effective national leadership is likely to be even more difficult throughout the 1980s. Slower growth means increased tensions over distribution, and many of those tensions will very likely be expressed as competing demands in the political arena. Furthermore, there is less tolerance now than there was a few years ago for resorting to the "solution" of debt financing, so there will be greater pressure on Congress and the President to deny the demands of special interest groups.

Popular Choices, and Prudent Ones

This will be a particularly difficult period for a President who seeks to be both prudent and popular. For all the problems of the Presidency in the 1950s and 1960s, the abundance of that era meant that relatively few hard choices had to be made. During that period the nation was able to pursue various projects and extend the role and functions of government while most people enjoyed a rising standard of living. Ambitious projects that confirmed our national stature—such as the decision to put a man on the moon—were announced and achieved, without requiring substantial sacrifices. But the situation today is decidedly different. And that imposes on the President the considerable burden of explaining new realities, articulating alternative courses the nation might take, and persuading Americans why it is in our long-term self-interest to make certain short-term sacrifices.

Several years ago, the nation watched in disbelief as New York City verged on bankruptcy after years of living beyond its means. Since the mid-1960s the city had amassed increasing deficits. Year-to-year deficits were disguised by accounting gimmicks. The city's operating expenses were buried in its capital budget. Pension plans were underfunded. High taxes and labor costs drove industry away, causing the erosion of the city's tax base. The city resorted to selling short-term notes to finance its deficits. Because the city's leaders did nothing to publicize its plight or to reverse the underlying conditions that created the problem, New York City was, by 1975, unable to pay its debts. It was only when the city was forced to face the severity of its problem and to acknowledge its insolvency that a solution was proposed. That solution—which consisted of a period of higher taxes, fewer services, and a virtual freeze in wage demands for a period of several years—was accepted by a majority of New Yorkers, who believed that sacrifices were being fairly distributed and that they would result in a better city.

For all the differences between the plight of New York City and that of the nation, there are, as Felix Rohatyn, one of the architects of the plan to save New York from insolvency, has noted, some striking similarities.[4] Just as New York City experienced mounting deficits, this nation's budget has been balanced only twice in the past 15 years. Just as New York's tax base was eroded by the loss of industry that resulted from the high costs of doing business there, the United States has been driving business abroad for the same reasons. Just as New York was increasingly burdened by pension costs that were rising faster than its revenues, the nation is burdened by the costs of entitlement programs that are rising faster than its revenues. In certain respects, inflation might be regarded as the national equivalent of bankruptcy; the nation's indebtedness is being paid off in a currency that is worth less and less.

More pertinent for our purposes than any of the economic particulars is what that example reveals about the kind of leadership the nation requires in the 1980s. A clear articulation of national priorities, with a realistic price tag attached, is imperative. Rather than making unattainable promises, or "papering over" real problems until they grow into crises, the nation's leaders must clearly spell out alternatives, and they must advocate a prudent course even if it is not a popular one.

As the members of this Panel discussed the difficulties in forging a consensus around proposed solutions to some of the nation's most pressing problems, we became increasingly concerned about the ability of the nation to understand and accept new realities and to find adequate strategies for coping with them.

The clearest example is the energy problem, one that has given rise to a great deal of public confusion and anger. One obvious difficulty that the nation's leaders have had in generating public support for new energy programs is that so many people seem unconvinced there are real shortages. This is true in part because information from different sources is contradictory, incomplete, or suspect because of its partisan sources. Public reaction is a volatile mixture of outright denial of any shortages, combined with a tendency to look for scapegoats, to grasp at straws. The American public oscillates between wishful thinking and unwarranted fatalism. As fuel prices rise, individuals and families are forced to make sacrifices to pay for resources that until recently were both abundant and cheap. In the absence of any compelling evidence to the contrary, many feel they are the victims of "manufactured shortages." Not convinced that real shortages exist, people suspect not only greed but conspiracy, and conclude that public leaders are either unwilling or unable to do anything about the situation. Combined with the suspicion that decisions are being imposed upon them, their mistrust only adds to the sense of having lost control of some of the circumstances that most directly affect them.

In several respects, the energy issue may be typical of the issues that this nation will face in the 1980s: Those issues will pose tradeoffs that are difficult to grasp, more difficult still to convey in a comprehensible way to the public. Inevitably, since expectations will have to be lowered, many people will feel they are making sacrifices. The question is whether they feel that those sacrifices are necessary and whether their burden is being shared equitably. More broadly, the question is whether the American public feels that it understands the choices the nation faces and has a voice in choosing among them.

Quality of Life for Our Children and Our Children's Children

There is another point about national leadership in the 1980s that should be emphasized because it has important implications for the quality of life of future generations. Both the New York City fiscal crisis and the nation's energy problem illustrate the temptation to formulate policy that responds to immediate problems rather than long-term requirements. We are reminded of a remark made by former Secretary of State Henry Kissinger, that the main problem in government is that the urgent steals time from the important. It has been suggested, not entirely facetiously, that what this country needs as much as an Environmental Protection Agency is a Grandchildren Protection Agency, one that is responsible for considering the impact of current policy on future generations.

That suggestion raises some very difficult questions: How, exactly, can we reckon the extent to which current policies may jeopardize the lives of future generations? What is a responsible balance between concern for the present and concern for the future? How can we create political institutions that are responsive to the needs of the future as well as the present? Given the tendency of the electorate to vote in protest, to use elections as an occasion for registering dissatisfaction with current conditions, how can elected officials act in such a way as to gain re-election, while also making prudent plans for programs and policies that may not pay off except in the medium- to long-range future?

It is one of the weaknesses of a democratic system in which representatives have to seek re-election every few years that the orientation is to short-term policy making. This will be a particular problem in the years to come because some of the major programs that we will have to undertake or expand—such as a more ambitious effort to achieve energy independence—are likely to take decades to achieve. In the short term, such projects impose considerable costs; it is only in the long run that their benefits become apparent. This means that the politicians who must sustain the political costs of getting such projects started are unlikely to reap the political benefits of their eventual success.

As a result of the growing ecological awareness, the past decade has seen increasing concern for gauging the impact of current decisions on future generations. To some extent, government has been responsive to this concern. Congress, for example, passed the foresight provision, which requires the study of future effects of proposed legislation. But despite repeated warnings about the lack of an effective foresight capability, the executive branch is not much better equipped today than it was several decades ago to examine the long-term implications of current trends. Analytic facilities toward this end have been proposed by various advisory bodies, such as the Advisory Committee on National Growth Policy. One facility that was intended to provide foresight capability on a continuing basis, the National Goals Research Staff, was in operation only briefly during the Nixon administration. Most recently, President Carter initiated a study of probable changes in natural resources, population, and environment through the end of the century. The study, called Global 2000, also explored the capability of the federal government to make long-term projections and engage in effective long-term planning. The Global 2000 report points out the dangers of allowing current trends to continue in the areas of world population patterns, resources, and environment. It concludes that the executive agencies of the U.S. Government are not now capable of presenting the President with internally consistent projections of world trends in population, resources, and the environment in the next two decades, and that important decisions—involving billion dollar federal programs and even the national security—are based partially upon current, seriously deficient foresight capabilities.[7] Those conclusions are neither new nor surprising—all the more reason for concern about why such analytic facilities are not a recognized and well-established part of the executive decision-making process.

But there is a much larger question here than simply the matter of what our analytic capabilities are or what sorts of institutions have been created to carry them out. At the basis of this Panel's call for a foresight capability is a moral concern, and one that has a particular relevance in today's policy-making arena: Recognizing our indebtedness to past generations, what do we owe to the future? Are we, by maintaining current consumption patterns, "eating into the endowment," compromising the ability of future generations to enjoy the lifestyles we take for granted?

One of the basic tasks of the humanities is to remind us of our interdependence, not only with people in other cultures, but also with past generations. To recognize that tie between past and present is also to be reminded of obligations to future generations and of the necessity of adopting an attitude of stewardship that recognizes the claims of future generations to a quality of life at least equivalent to the one we enjoy. National leaders must be judged not only by the skills they show in orchestrating a cacophony of special interests, but also by the concern they have for the commonweal, for the well-being of our children and our children's children.

In Conclusion

Ultimately, as political philosophers such as Thucydides and Machiavelli pointed out centuries ago, the ability of a society to solve its problems rests not so much on the quality of its leaders, or the appropriateness of its institutions, as it does on the character of its people. We have suggested throughout this report that a profound readjustment of attitudes, values, and expectations is underway. No matter how successful this nation is in attaining more rapid economic growth, there is no way of returning to the realities of the postwar era of dynamic growth. Some truly fundamental changes have taken place since then.

The new realities that America faces in the 1980s require certain traits in its citizens that are by no means easy to cultivate. Difficult decisions will place great demands on our ability to deal with complexity. The prospect is both disturbing and challenging. We must begin to strive for a new level of understanding, one that comprehends those complexities, for in the end the policies that the nation's leaders propose in response to the new realities will be effective only if the nation supports them.

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